Daily Report

Central Eurasia

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Central Eurasia

FBIS-SOV-95-099 *23 May 1995*

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Interparliament Assembly Session Communique

MM2205114995 Moscow RABOCHAYA TRIBUNA in Russian 19 May 95 p 3

["Communique on the Results of the Sixth Plenary Session of the CIS Member States' Interparliamentary Assembly": "Parliamentarians Work for Rapprochement" — from the 'Sodruzhestvo' section]

[FBIS Translated Text] The sixth plenary session of the CIS member states' Interparliamentary Assembly [IPA] was held at IPA Headquarters in St. Petersburg 13 May 1995.

Participating in the session were parliamentary delegations from the Azerbaijani Republic headed by Ya.T. Aliyev, deputy chairman of the National Assembly; the Republic of Armenia headed by B.G. Araktsyan, chairman of the Supreme Council; the Republic of Belarus headed by M.A. Slemiyev, chairman of the Supreme Soviet Commission for Nationalities Policy and CIS Questions; the Republic of Georgia headed by V.B. Goguadze, speaker of parliament; the Republic of Kazakhstan headed by N.I. Akuyev, head of the presidential apparatus court organs sector; the Kyrgyz Republic headed by A.M. Matubraimov, chairman of the Zhogorku Kepesha [name as transliterated] Assembly of People's Representatives; the Republic of Moldova headed by P.K. Luchinskiy, chairman of parliament; the Russian Federation headed by V.F. Shumeyko, chairman of the Federation Council, and A.N. Chilingarov, deputy chairman of the Federal Assembly State Duma; and the Republic of Tajikistan headed by S.R. Radzhabov, chairman of the Madzhlisi Oli [name as transliterated].

A Ukrainian parliamentary delegation headed by O.A. Demin, deputy chairman of the Supreme Council, attended the assembly's plenary session as an observer.

The plenary session was chaired by V.F. Shumeyko, chairman of the IPA Council and chairman of the Russian Federation Federal Assembly Federation Council.

An IPA Council session was held the previous day to examine the preliminary agenda of the assembly session and to discuss the progress in drawing up the draft Convention on the IPA and in examining it in CIS organs, as well as the fulfillment of the Composite Plan for Coordinating the IPA's Activity with regard to legal support for the Commonwealth's integration development in 1994-1995. A decision was adopted to complete work on the recommendatory legislative act "General Principles of Regulating Questions Associated With Refugees and Displaced Persons on the Territories of Commonwealth States." Mindful of the increasing international dimension of the assembly's activity, positions were agreed with regard to further expanding international ties with other countries' interparliamentary organizations and parliaments, and the assembly's work plan for the second half of 1995 was adopted.

An important place in the assembly's work was occupied by questions of the further integration development of the CIS and of enhancing the IPA's role in strengthening the Commonwealth. The parliamentary delegations deemed it expedient to approve proposals for making changes and additions to the articles of the CIS Charter which envisage enhancing the status of the IPA and broadening its competence as an interstate organ of the Commonwealth and to send these proposals to the Heads of State Council for examination. The Statute on the CIS Flag and the Statute on the CIS Emblem were examined and adopted.

A detailed analysis was made of the recommendatory legislative acts submitted by IPA standing commissions which govern the CIS member states' relations in the sphere of developing economic, scientific, technical, and cultural ties and which were approved by the assembly and will be sent to the Commonwealth countries' parliaments for use in national legislation.

Special attention was devoted to questions of bringing about a rapprochement of civil legislation and eliminating disagreements in the sphere of the CIS member states' private law.

In the sphere of social policy and human rights the assembly participants advocated the creation of an effective mechanism to protect citizens' legitimate interests and to establish guarantees of humane treatment of and respect for the individual at state level. The recommendatory legislative acts "Migration of Labor Resources in the CIS Countries," "On the General Principles of Regulating Protection of Consumers' Rights in the IPA Member States," and "On the Protection of Civilians and the Rights of Prisoners of War" were approved.

The parliamentary delegations deemed it necessary to ensure a unified approach and cooperation in the struggle against crime in the Commonwealth countries.

The session participants took cognizance of information on the activity of peacekeeping groups formed by the IPA in settling conflict situations; it was decided to continue this work.

The IPA decree "On Stepping Up Parliamentary Influence Over the Fulfillment of Interstate Obligations Within the Commonwealth Framework in the Sphere of Security and Military Cooperation" was adopted at the session.

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The results of fulfilling the IPA decree of 18 March 1994 "On Preparing To Celebrate the 50th Anniversary of the Victory Over Fascism in the Great Patriotic War of 1941-1945" were examined. It was emphasized that the 50th anniversary had confirmed the worldwide historic significance of the defeat of fascism and given a new boost to the process of the spiritual unification of the Commonwealth countries' peoples. The assembly suggested that the parliaments jointly with the governments increase social support for Great Patriotic War invalids and participants and create worthy living conditions for them.

ITAR-TASS Carries Press Review for 23 May

LD2305061295 Moscow ITAR-TASS in English 0452 GMT 23 May 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] Moscow May 23 TASS — The IZVESTIYA newspaper reports that the last nuclear charge which lay at a concrete silo for over four years, will be destroyed near Semipalatinsk, Kazakhstan, between May 28 and June 12.

The daily notes that Kazakhstan, as it promised to the world community, became a nuclear-free state when the last train with nuclear warheads crossed its border with Russia a month ago. "However, the republic has not turned yet into a nuclear-free zone," the newspaper adds.

"A test nuclear charge with a total mass of nearly one kilogram of plutonium and with an explosive yield of 0.3 kilotons has been lying for four years at the 108th silo of the former Semipalatinsk proving ground of the Russian army," IZVESTIYA notes.

The ROSSIISKAYA GAZETA newspaper carries an article, examining problems of Cossacks. It notes that the mass movement for the revival of Cossacks was swept by "the dirty wave of criminal activities".

The daily notes that the Council on Cossack Affairs at the Russian president held a meeting on May 19 chaired by Vice-Premier Nikolay Yegorov. The meeting discussed pressing issues concerning implementation of the state policy on Russian Cossacks.

In the newspaper's opinion, "the days of criminal scum, calling themselves Cossacks, will be numbered, as soon as the reviving Cossack movement obtains a legal basis".

The illegal drug trafficking is assuming a dangerous scale in Russia, the NEZAVISIMAYA GAZETA newspaper writes. It quotes estimates by specialists, according to which each rouble put into drug trafficking yields at least 1,000 roubles in profits.

The daily reports that there are 1.5 million people in Russia, using drugs. Narcotics are mostly brought by railways (about 90 percent).

The army newspaper KRASNAYA ZVEZDA writes that fierce clashes continued in southern Chechnya over the past few days, during which federal troops used aviation and long-range artillery.

Rebels suffered considerable losses during battles for the village of Gekhi, 30 kilometers south of Groznyy. Two servicemen of federal forces were killed and 15 wounded.

According to the newspaper, Chechen gunmen experience a severe shortage of weapons, ammunition and medicines. Therefore, they continue to attack posts on the borders between Chechnya and neighbouring republics.

The PRAVDA and SOVETSKAYA ROSSIYA newspapers print materials on the 90th birth of Russian writer Mikhail Sholokhov. In the opinion of SOVETSKAYA ROSSIYA, calling the author "the godfather of the newspaper", he wholeheartedly devoted his unique talent to a communist breakthrough in the history of his own people and tenderly reared a highly moral being on earth — the Soviet man".

IZVESTIYA runs an interview given to a group of Moscow journalists by Polish President Lech Walesa. The newspaper cites his following words: "If nobody meddled between me and President Yeltsin, we would easily find a common language and settle all problems.

"We are very similar people: both in character and temperament and have a similar view on many things. Regrettably, both I and Yeltsin have aides who do not always give correct advices."

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Date for Yeltsin Visit to Iran 'Has Not Been Raised'

LD2305104295 Moscow INTERFAX in English 0935 GMT 23 May 95

[FBIS Transcribed Text] Moscow, May 23 (INTERFAX) — Not denying a possible visit by President Boris Yeltsin to Iran, his foreign affairs aide Dmitriy Ryurikov told Interfax that "the question of the concrete timing of the visit has not been raised so far." Ryurikov made this statement on Tuesday following foreign media reports that Yeltsin "plans to visit Iran soon, most likely in autumn or winter."

Commenting on remarks by some foreign newspapers and news agencies linking a possible early visit by Yeltsin to Tehran with Russia's firm position over equipment supplies for a nuclear power station in Iran, Ryurikov noted that "this is just a version."

He said that although an invitation to pay a formal visit to Iran had been extended to Yeltsin back in 1991, he had never used it because of too much work. "However, Russian and Iranian officials have had continuing contacts on the issue," Ryurikov said.

Spokesman Explains Yeltsin Position

LD2305112595 Moscow ITAR-TASS in English 1115 GMT 23 May 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, May 23 (Itar-Tass) — "Russian President Boris Yeltsin will not visit Iran in the foreseeable future," Itar-Tass was told today by Presidential Press Secretary Sergey Medvedev.

Commenting on the reports of several Western mass media sources that the President would visit Tehran this autumn or winter, Medvedev noted that Yeltsin had, indeed, received a corresponding invitation from the Iranian side. Being dedicated as he is to the strengthening of relations with Russia's neighbours, Yeltsin agreed to visit Iran, but did not indicate any exact date.

According to Medvedev, the fact that the President had accepted the invitation did not mean that the visit was included in Yeltsin's agenda. Moreover, the Iranian invitation was forwarded to Boris Yeltsin several months ago and since then neither he himself, nor anybody from among his aides had signalised that the visit could take place. The report, transmitted by the IRNA news service with reference to the Russian Embassy in Iran that Boris Yeltsin was prepared to visit the country, is apparently groundless.

Clinton Remarks to Havel on NATO Noted

MM2205152395 Moscow KRASNAYA ZVEZDA in Russian 20 May 95 p 2

[ITAR-TASS report: "Has NATO's Enlargement Been Decided?"]

[FBIS Translated Text] Prague, 19 May — The process of enlarging NATO will continue in accordance with the plans already outlined, U.S. President Bill Clinton has stated in a letter to his Czech colleague Vaclav Havel informing him about his recent talks on this problem with Russian Federation President Boris Yeltsin. The document, an account of which has been published here today, emphasizes that the admission of new members to the North Atlantic alliance from among the states of Central Europe has been decided on.

At his meeting with Boris Yeltsin, the letter points out, the U.S. leader voiced the hope that "simultaneously with the carefully prepared admission of new members to NATO Russia will take the steps that are necessary to deepen cooperation with that organization." The Russian Federation leadership must realize that the North Atlantic alliance is a purely defensive structure and threatens no one.

NATO-Sponsored Disarmament Workshop Described

954F2295A Moscow ZAVTRA in Russian No. 18, May 95 p 4

[Unattributed article under the heading "Defense Awareness": "Russia's Nuclear Disarmament Must Be Stopped"]

[FBIS Translated Text] I beg to inform you that a workshop under the aegis of NATO on the subject "Strategic Stability in the Period Since the Cold War and the Future of Nuclear Disarmament" was held from 7 through 10 April 1995 at facilities of the Airlie recreational center in the state of Virginia in the environs of the city of Warrenton (the official workshop material in English is attached). Representatives of the following states took part in the workshop: the United States, Britain, France, Israel, India, China, and Russia, including representatives of neighbors (the list of participants in the workshop and their business cards in English are attached). Together with the official papers (which were, as a rule, of an exclusively theoretical nature), there was in the process of the workshop an intensive exchange of confidential information and opinions between the participants in the workshop. Two questions constituted the main topics of discussion.

The problem of the proliferation of weapons of mass destruction and missile technology.

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The problem of the ratification of the START II Treaty in the Federal Assembly of the Russian Federation and scenarios of the development of the strategic nuclear forces of the Russian Federation for the future.

On the first question the most active exchange of opinions and information on a confidential basis among the foreign participants in the workshop was with the following persons: Dr. Ilan Amit, former director of Israel's Military Analysis Center (photographs of himself and his wife for checking against the files are attached); Dr. Fritz Ermarth, who represented the U.S. CIA and who had previously held a senior position in an office coordinating the activity of the U.S. intelligence community (reference card available); General Krishnaswami Sundarji, former chief of the General Staff of the Armed Forces of India (reference card available). It is interesting that Mr. Sundarji was personally well-acquainted with Marshals D.T. Yazov and S.F. Akhromeyev. Before his appointment as chief of the General Staff of the Armed Forces of India, Mr. Sundarji served in command positions in the northwest areas of India. He was in this capacity, in particular, in charge of the army operation to liberate the Golden Temple complex of buildings in Amritsar from the Sikh gang headed by the well-known terrorist Bhindranwali which had seized it.

In the presence of approximately 20 persons Mr. Amit made the statement that today Israel has 228 nuclear weapons in the arsenal of its armed forces. The range of Israel's nuclear delivery systems is up to 2,500 km (that is, Moscow is within range of Israel's nuclear forces). Mr. Amit emphasized that Israel would not give up its nuclear potential under any circumstances and would not accede to the Nuclear Nonproliferation Treaty. Developing this theme in a more confidential atmosphere, Mr. Amit said that Israel's nuclear potential had been created not only to deter a nonnuclear attack on the part of the Arab countries but also for blackmail of the USSR with the aim of forcing it to exert a restraining influence on the Arabs in the event of a conflict between them and Israel and military failures of the latter. To the argument heard from the Russian side, which was formulated as follows: "If Israel has nuclear weapons, why are Iraq or Iran not entitled to have nuclear weapons in their arsenals also," Mr. Amit responded with composure, voicing the opinion that these countries could have a need for nuclear weapons not so much for use against Israel as against one another and also for use against forces of the United States in the Persian Gulf region.

At the same time, on the other hand, this argument adduced on our side evoked a sharply negative and irritable reaction on the part of two other persons present during my discussion with Mr. Amit: Mr. Ermarth and Dr. Michel Rudnianski, the representative of France (reference data attached). Mr. Ermarth took the statement here as a hint at Russia's possible cooperation with Iran and Iraq in the nuclear sphere as a countermeasure against the anticipated eastward expansion of the NATO bloc. As far as M. Rudnianski is concerned, he displayed particular concern at the possibility of Algeria's creation of its own nuclear potential following the anticipated assumption of power in this country of Islamic forces hostile toward the West. According to M. Rudnianski, Algeria has everything necessary for the creation of such potential in a short space of time were the leadership to adopt the corresponding decision.

Mr. Sundarji made the public statement that a final decision has been made in India at the level of the country's political leadership on the creation of small nuclear forces for deterring the PRC and Pakistan. This decision is a product here, according to Mr. Sundarji, of the national accord of all political forces of India. Advancing the argument that "nuclear weapons can only be deterred by nuclear weapons," Mr. Sundarji accused Mr. Ermarth and Professor Song Zhongyue, representative of the PRC (data for checking against the files are attached), of practicing "double standards." Summing up, Mr. Sundarji declared that no arguments of the world community about the inexpediency of India's becoming a nuclear power would be accepted by the Indian leadership and no threats of sanctions against India would influence its resolve to create its own nuclear forces. At the same time, on the other hand, Mr. Sundarji acknowledged that equipping India's armed forces with nuclear weapons would deprive the world community of any arguments against the conversion of Pakistan into a nuclear power—the eighth (after the Russian Federation, the United States, Britain, France, the PRC, Israel, and India).

The subject of the development of India's nuclear forces was continued during a three-hour-plus conversation head to head with Mr. Sundarji. Mr. Sundarji said that, in his opinion, it was not in Russia's interests to follow the lead of the United States and China on the question of India's nuclear program. In his opinion, India is today one of the few countries of the world whose national interests are not contrary to Russia's national interests. In response to the idea expressed by way of discussion concerning the possibility of the cooperation of Russia and India in the nuclear sphere in accordance with the model of relations of the United States and Britain (where the United States supplies Britain with delivery systems—the Polaris and Trident SLBM's—on which Britain installs its own nuclear warheads) Mr. Sundarji expressed the opinion that despite the fact that India is in

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a position to create its own nuclear forces independently, it would undoubtedly be extremely advantageous for his country to cooperate with Russia on this matter. The economic benefit for Russia in the event of such cooperation is obvious also. A cooperation scenario whereby Russia would supply India at the first stage with 9-18 and, subsequently, with a further 27-36 Topol-class missile systems (which would be fitted with nuclear warheads of Indian manufacture) and would help create the corresponding infrastructure for the operational command and control, servicing, and operation of these missile systems was further discussed in the conversation. Mr. Sundarji expressed the opinion that at this stage it would be expedient to continue the negotiations on this matter unofficially.

On the second question at the workshop the most assertiveness among the foreign participants was displayed by Mr. Ermarth, Mr. Song, Major General Robert Linhard from the USAF command, and Lieutenant General Glenn Kent from the Rand Corporation (United States) (reference data on both the latter and service-record data available).

Speaking on the subject of the prospects of ratification of the START II Treaty in the Federal Assembly of the Russian Federation, it was stated on the Russian side that the Federal Assembly of the Russian Federation would in all probability refuse to ratify this treaty. Two groups of arguments against ratification of the treaty were distinguished during discussion of the reasons for this anticipated decision of the Federal Assembly: military-strategic and political. Highlighted during commentary on the first group of arguments were the problem of inequality of the so-called "rapid retro-fitting potentials" of the strategic forces of the United States and the Russian Federation (anticipated ratio: 2,500 warheads for the "retro-fitting" of the Trident SLBM's and the Minuteman III ICBM's to 525 warheads for the "retro-fitting" of the UR-100N UTTKh ICBM's) and the United States' attempts to revise the procedures of the 1972 ABM Treaty on the pretext of the need for the creation of a so-called "tactical ABM system." It was emphasized that in practice the proposals of the U.S. delegation at the Geneva negotiations, if adopted, would legalize the right of the United States to create a strategic system of ABM defenses for its territory. The Republican majority in the U.S. Congress is increasing the pressure on the Clinton administration here to persuade it to agree to such a step even without harmonization with Russia and in spite of the current international limitations, specifically, the 1972 ABM Treaty.

In the comments on the second group of arguments the audience's attention was called to the words of V.F. Shumeyko, chairman of the Federation Council of the Federal Assembly of the Russian Federation, at the meeting with Mr. Perry, U.S. defense secretary, to the effect that in the event of an expansion of the NATO bloc eastward, the START II Treaty would not be ratified in the Federal Assembly of the Russian Federation. It was explained to the audience here that at the time the START II Treaty was signed, in January 1993, there were illusions in Russia concerning the possibility of friendship and partnership between it and the United States, by virtue of which the skewing in the START II Treaty in favor of the United States seemed not that important. Today, however, under the conditions of the advancing "cold peace" brought on by the planned eastward expansion of the NATO bloc, the attitude toward the deficiencies of the START II Treaty has changed most radically, by virtue of which the treaty appears to be absolutely unacceptable to many Russian members of parliament. The assumption that in the next Federal Assembly, which will begin work after the 1995 elections, the attitude toward the START II Treaty will obviously be even more negative than with the present members of parliament was expressed also.

The response to Mr. Linhard's question concerning the prospects of the development of the Russian Federation's strategic nuclear forces in the context of the Federal Assembly of the Russian Federation's likely refusal to ratify the START II Treaty expressed the assumption that the strategic nuclear forces would be developed within the framework of the quantitative ceilings of the START I Treaty. It was emphasized that this was a technically and economically feasible scenario even considering Russia's loss of the production capacity of the former Ministry of General Machine-Building of the USSR on the territory of Ukraine. As stated on our side, there would obviously be an extension at the first stage here of the warranted service life of some of the UR-100N, R-36M UTTKh, R-36 M2, and RT-23 UTTKh MIRV'd ICBM's in service today (coordinated verbally with the Russian Federation Armed Forces General Staff Center for Operational-Strategic Studies). The example of the Mir orbital system, the duration of whose operation in orbit is already, as we all know, three times in excess of its warranted service life, was cited to convince people that such a measure is feasible in practice. It was also said that at the second stage (by the start of the year 2009) new-generation SLBM's, which will be fitted with six warheads of the medium-yield class each and which are being developed at this time within the framework of R&D for the creation of the sea-based D-31 system, should obviously be deployed (in a quantity of 440) in the silo launchers of the above-mentioned MIRV'd ICBM's, as also in certain UR-100K ICBM silo launchers. After the year 2008 (when the START I

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Treaty terminates), the deployment of a further 96 similar missiles in the BZhRK version is expected.

In the comments on the statement of Mr. Kent that Russia and the United States should cooperate in the sphere of the creation of a "tactical ABM system" in view of the fact that they allegedly have common enemies, it was stated for our part that, first, Russia does not consider such countries as Iran, Iraq, and the DPRK enemies of Russia. Second, under the conditions of the advancing "cold peace" connected with the impending enlargement of the NATO bloc, cooperation between Russia and the United States would hardly be possible at all. And, finally, owing to the "double standards" policy pursued by the United States in relation to the nuclear program of Israel, which is directed, inter alia, against Russia also, any arguments of the United States on the matter of the nonproliferation of nuclear weapons are received in Russia with distrust. Mr. Kent and Mr. Ermarth were forced to agree with the latter argument, declaring, however, that in view of the power of the Israel lobby in the United States, no serious steps on the part of the United States aimed at compelling Israel to abandon its nuclear potential should be expected.

Mr. Song expressed serious concern at the United States' plans to create a "tactical ABM system," which is in itself noteworthy, considering the specifics of the relations of official structures and private persons in the PRC. In his interpretation the nuclear forces of the PRC, which are considerably inferior to the strategic forces of Russia and the United States as it is, could be devalued completely by the deployment even of a very limited U.S. ABM system. In view of this, if a U.S. ABM system is deployed, a sharp quantitative increase in the nuclear forces of the PRC, primarily MIRV'd ICBM groupings, should be expected.

Mr. Sundarji assumed that in such a case India would follow the PRC on this issue.

Commentary on U.S. Congress Debates Over Aid

LD2205204995 Moscow Voice of Russia World Service in English 1910 GMT 22 May 95

[Commentary by Vladislav Kozyakov]

[FBIS Transcribed Excerpt] Heated debates continue in the U.S. Congress on assistance to Russia for the next fiscal year. U.S. Administration officials and some congressmen oppose proposals to reduce the sum of $(?260) million the government requested for these purposes. Our commentary has been prepared by Vladislav Kozyakov.

The debates on aid to Russia conducted by U.S. lawmakers have assumed a (?hypertrophic) character, and though what is meant here are rather meager allocations, in fact less than two dollars for every citizen in this country, the congressmen are debating about what should be done to punish Russia, by how much this minimum sum should be reduced to bring Moscow's stand in line with that of the United States in spheres where it has a different point of view. [passage omitted: quoting Warren Christopher at Senate Appropriations Subcommittee last week]

As for the issue dealing with aid to Russia the question arises: what spark set the forest on fire? What is of importance here are of course not the minimum sums that are being discussed now. No matter whether they will be approved in the volume suggested by the administration or reduced by 25 percent or even more, this will not matter essentially for such a great power as Russia. And it doesn't seem possible that Russia will yield to U.S. pressure and change its policy afterward.

The debates in Congress over aid to Russia are evidence of the fact that opinions in the U.S. political circles have split on the problem, whose solution influences the world situation.

The problem concerns the principles on which the Russian-American relations must be based. Those who support the reduction of aid to Russia are advocates of the tough course, in fact, on any issue where the United States and Russia are in disagreement. They would like to annul a whole number of agreements that with such difficulty were reached after the end of the cold war. [passage omitted]

The whole point is that the Republican congressmen are doing damage to themselves. The Republican contract with America is aimed at the reduction and liquidation of the budget deficit, but if relations with Moscow had not been normalized and if the arms race had not been stopped, the Republicans could not even promise that to their voters. The return to confrontation to which the tough policy might lead would prevent the struggle against U.S. federal budget deficit, since confrontation entails a sharp increase in military expenditures.

Incidentally, tens of billions of dollars, which the United States managed to save thanks to the democratic reforms in Russia and to the normalization of the Russian-American relations, can't be even compared with those meager allocations in support of our reforms that cause such tensions in the U.S. Congress.

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U.S. Veto on Jerusalem Issue at UN Viewed

MM2205152095 Moscow TRUD in Russian 20 May 95 p 3

[Article by Anatoliy Repin under the "Apt Remarks" rubric: "Mrs. No"]

[FBIS Translated Text] At one time Andrey Gromyko, and later other Soviet representatives to the United Nations, were called "Mr. Nyet" — because, among other things, they did not spare the use of the veto in the Security Council. It seems that U.S. representative Madeleine Albright could now acquire the reputation of "Mrs. No."

As recently as 13 May, on her insistence, the Security Council members refused for the 25th time to alleviate the UN sanctions against Iraq. On Wednesday Madam Albright blocked the adoption of a resolution in the Security Council censuring Israel for expropriating 53 hectares of land in East Jerusalem. This was the first U.S. veto in the past five years. Washington set itself up against all the Security Council members: 14 delegates, including Russia's, said "yes" to the resolution, and only Mrs. Albright was against it. She explained the U.S. stance by saying that the Security Council is not the place to examine such questions. The mechanism of Palestinian-Israeli talks exists, Albright stressed, for that purpose.

In theory that is true, because the Near East peace process, within the framework of the decisions of the 1991 Madrid conference, is proceeding outside the United Nations, through direct Arab-Israeli talks under the sponsorship of the United States and Russia. Since that time Moscow has been satisfied with the role of quiet diplomatic sponsor, while Washington has in effect become a first-degree participant in the talks. Until recently the Americans stressed that they were playing the part of "honest broker." But the present obvious leaning toward Israel gives grounds for doubting Washington's impartiality.

The United States could, incidentally, have avoided such an obvious display of one-sided sympathies if it had agreed to the proposal put forward in the Security Council to adopt a common statement on Israel's actions in East Jerusalem, rather than a resolution, which requires a vote. That option would have made it possible to preserve at least a semblance of agreement between the positions of the two sponsors of the Near East process. During the debates the United States made it clear that it would oppose "any statement and any resolution" on such a "delicate question as Jerusalem," although it admitted that "the expropriation of land does not do much to promote the peace process" (as if it did anything at all to promote it). Israeli envoy Gad Ya'aqobi insisted that the land being confiscated is "waste ground" on which housing will be built not only for Jews, but for Arabs too, and that 63 percent of that land is the property of Israelis, 27 percent belongs to Arabs, while 10 percent is "nobody's land." These arguments did not convince anyone in the Security Council except the Americans.

As a BBC radio commentator stressed, the Washington administration had half an eye on the Republicans who dominate the Congress, and also on electoral considerations: The presidential campaign is already beginning, and during such periods the two rival parties actively court the Jewish electorate.

How will all this affect the Palestinian-Israeli talks, which were already deadlocked? The Palestinians' reaction was expressed by Yasir 'Arafat, leader of the PLO and head of the provisional Palestinian administration: "The veto imposed by Washington on the Security Council resolution censuring Israel for confiscating land in the eastern part of Jerusalem has aroused the Palestinian people's distrust and suspicion of U.S. Near East policy."

Beijing, Seoul Welcome Grachev Security Proposal

LD2205132995 Moscow INTERFAX in English 1229 GMT 22 May 95

[FBIS Transcribed Text] MOSCOW, May 22 (Interfax) — Russian Defense Minister Pavel Grachev's proposals on the creation of a sub-regional security system in Northeast Asia "have aroused considerable interest and definite understanding in Beijing and Seoul," a high-ranking Russian military official told Interfax on Monday.

He said that "the countries of this region welcome the idea of creating a new security system in Northeast Asia, but not all of them are ready to begin cooperation in this area."

During his visit to China and the Republic of Korea on May 15 to 21, Grachev proposed creating a sub-regional security system involving six countries: Russia, the U.S., China, Japan and South and North Korea.

The source said that "for the first time since the end of World War II, an official has made such a proposal." "Russia has confirmed its interests in this region once again," he said.

He also said that the Russian proposals on the creation of a security system in Asia and the Pacific are being considered by Beijing and Seoul. Their response is expected to arrive prior to President Yeltsin's visit to Beijing, scheduled for the second half of the year.

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Commenting on the agreement on military-technical cooperation, initialled by the defense ministers of Russia and South Korea in Seoul on May 21, the Russian military official said that "this document gives the go-ahead to the supplies to Russian military equipment to the Republic of Korea." He said that the text of the agreement would be finalized with due account taken of the interests of the Russian and South Korean ministries and departments concerned.

In his opinion, the document is likely to be signed "by the two governments by the end of 1995."

Kozyrev, Cuba's Robaina Sign Anti-Drug Pact

LD2305125695 Moscow ITAR-TASS in English 1243 GMT 23 May 95

[By Sergey Sereda and Andrey Urban]

[FBIS Transcribed Text] MOSCOW, May 23 (Itar-Tass) — Russian Foreign Minister Andrey Kozyrev and his Cuban counterpart Roberto Robaina signed here on Tuesday an intergovernmental agreement On Copperation in Combatting Illegal Traffic of Narcotic Drugs and Psychotropic Substances and their Abuse. The document was signed after the negotiations between the heads of the foreign policy agencies of the two countries in the framework of Roberto Robaina's first offical visit to Russia.

Commenting on the results of the conversation, Kozyrev said that during the negotiaitons the sides discussed transformations in the countries, international problems and prospects for further development of ties between Russia and Cuba.

There is a special relationship between Russians and Cubans. Russia is basing these relations not only on a historic foundation, but also on mutual respect and equality, Kozyrev said. He said Russia intends to develop ties with Cuba in every aspect.

Asked by Itar-Tass about the present situation in Cuba, Robaina said that Cuba has now reached a new level in overcoming the economic crisis which broke out in 1989. Still the situation of Cubans remains complicated.

"As to our relations, the programme of bilateral cooperation is beign successfully implemented," Robaina said. "Conditions have been created for complete restoration of ties with Russia in every area. It is essential that the will for the development of goodneighbourly relations which was not felt over the past five years is manifested again. Conditions for Cuba and for Russia changed completely in the recent years", he said.

Robaina expressed the hope that his talks with Andrey Kozyrev which were begun in New York and continued in Moscow will be crowned with a visit of the Russian Foreign Minister to Havana.

Military Cooperation Pact Signed With Bulgaria

LD2205174095 Moscow ITAR-TASS in English 1639 GMT 22 May 95

[By Vladimir Abrosimov]

[FBIS Transcribed Text] SOFIA, May 22 (Itar-Tass) — Russia and Bulgaria signed a protocol on military cooperation priorities providing, in particular, for Russia to deliver spare parts, worth 50 million dollars, for Bulgarian military equipment. The document was signed at today's session of the bilateral commission for military and technical cooperation.

Bulgarian Vice-Premier and Trade Minister Kiril Tsochev assessed the session as a "concrete continuation of a dialogue which began in Sofia last week between Russian Government Chairman Viktor Chernomyrdin and Bulgarian Prime Minister Zhan Videnov." Tsochev chaired the session together with deputy chairman of the Russian Committee for Defence Industries Gennadiy Voronin.

Bulgarian defence minister Dimitur Pavlov said he was satisfied with the protocol's clause on Russian supplies and stressed the importance of restoring cooperation between enterprises of the countries' defence-industrial complexes. The protocol also provided for establishing joint ventures and military conversion projects.

The next session of the commission is scheduled to be held in Moscow in November, 1995.

Contact Group Member Views FRY Sanctions

AU2305075195 Belgrade VECERNJE NOVOSTI in Serbo-Croatian 17 May 95 p 2

["Exclusive" interview with Aleksandr Zotov, the Russian president's special representative in the former Yugoslavia, by Djuro Bilbija in Moscow; date not given: "A Risky Game"]

[FBIS Translated Text] Russia is worried about the fact that the Contact Group is marking time, especially after the failure in Frankfurt that it hardly succeeded in hiding. The stay in the "tunnel" could lead to the withdrawal of the UN peace-keeping force. It could, however, also lead to NATO taking over the role of "the main actor in Bosnia."

Aleksandr Zotov presented the position of Russian diplomacy after the negotiations in Frankfurt, exclusively for VECERNJE NOVOSTI.

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[Bilbija] In spite of the statement by Andrey Kozyrev on the eve of the "Frankfurt round of talks" that the process for a further removal of the sanctions against the FRY might begin soon — it seems that the differences within the Contact Group prevailed yet again. As we learned, Russia supported the full removal of all sanctions, the United States and Germany were against it, and France and Great Britain supported a solution somewhere inbetween. Do you not think that the Contact Group is in a stalemate? Why has it brought itself into such a situation?

[Zotov] It is true that no progress was reached in Frankfurt regarding the sanctions. The talks were difficult, and no consensus was reached on the main question: What should be the next step. It seems that a closed circle has developed within the Contact Group itself. The Russian position is well known. The United States and Germany oppose any further loosening of the sanctions at the present stage and insist on the recognition of Bosnia-Herzegovina and Croatia by Yugoslavia. Apart from that, the United States says that it cannot accept the Russian version, with which also France and Britain could agree, because of the "difficulties" they would have in Congress. Parallel to our inability to make progress, the events in the former Yugoslavia are, unfortunately, developing in an extremely dangerous direction. I am afraid that the whole situation regarding the Yugoslav crisis is beginning to resemble a bazaar and that the international community does not show the responsibility it should show for such a situation.

A Compromise Is Essential

[Bilbija] Will the closed circle you have mentioned not turn into a vicious circle soon, and is it at all possible to find a way out of all this?

[Zotov] There is a way out of the situation, but only on condition that the United Nations and the Contact Group take the initiative in the proper way and realize that the FRY is their partner and treat it accordingly. The solution is to establish new relations and to place the problem at a higher level. In other words: The Contact Group and the UN Security Council should prepare a serious package of proposals that could move things from the standstill. In order to reach such a package, however, it is necessary to conduct talks that would correspond to the seriousness of the situation and that would not allow the worst thing possible — that the imbalance within the Contact Group and within the international community in general becomes deeper because of the Yugoslav crisis.

Remote Positions

[Bilbija] Do you think the Balkans and Europe would be confronted with too greta a risk if relations are strained?

[Zotov] Definitely. The withdrawal of the United Nations from Bosnia and Croatia would be fatal, although all other parties use the Bosnian Serbs — because of their rejection of the Contact Group peace plan — as an excuse for everything they do. If the United Nations leaves, the zones in which there are conflicts from time to time now would develop into a battle-field without borders, and even "the blockade of the Drina River" would lose all sense then. Serbian President Slobodan Milosevic would be in an extremely difficult position then — he could not remain as a passive observer of events. No, the UN Protection Force withdrawal must not be allowed. If NATO takes over the main role, our influence on the unfolding of events will be reduced.

[Bilbija] There are some people who think that a solution to the Contact Group stalemate should be sought in a compromise between the Russian and U.S. positions, that — in other words — the French and British attitude toward the sanctions should be taken as the starting position. Can you tell us what Paris and London are offering now, and what they could agree on?

[Zotov] Unfortunately, the attitudes toward the sanctions change too often. Still, it is my impression that France and Britain could, under certain conditions, agree to a solution according to which the sanctions that have been loosened so far would be lifted completely and all others frozen for a certain period of time. They may even be more-or-less lifted for half a year, for example, with the possibility that they be reimposed if necessary, or lifted for ever in the opposite case.

[Bilbija] Could this be the contents of the "serious package of proposals" you have mentioned, and why cannot such an idea be agreed upon?

[Zotov] The problem is that the Contact Group cannot reach an agreement within itself, it cannot decide which proposals would be realistic, sensible, and serious. The positions within the Group are too distant, at least at present. What makes matters even more complicated is that decisions in the Contact Group are made by consensus, so no one can impose his solution on someone else. Russia is still ready to accept any sensible solution that would enable Yugoslavia to normalize its economic situation. We think that our partners should realize that trifling with the sanctions against Belgrade is a risky game and that it does not have any reasons to agree to a little-by-little tactic.

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[Bilbija] What is the "sensible" proposal Russia would be ready to support now?

[Zotov] Although it supports a complete removal of the sanctions, it could now agree to a permanent removal of the sanctions that have been relaxed so far and to the complete freezing of the remaining sanctions, but over a long enough period of time and possibly with a list of products exempt from sanctions under certain conditions for a certain period of time. Apart from that, if Yugoslavia respects the required conditions, this system should automatically be prolonged; it would, in other words, be turned into the permanent condition. In our opinion, military production should perhaps be exempt from the new system. Apart from that, it should by no means come about that all the possible things that could affect and circumvent the goals of the new system are included in the so-called "production of strategic importance." We also think that the new system should not allow much space for impromptu decisions. That is why we insist on the two aspects of automatism I mentioned.

Security Council Delegation Arrives in Mongolia

LD2305071595 Moscow ITAR-TASS in English 0643 GMT 23 May 95

[By Kim Boldokhonov]

[FBIS Transcribed Text] Ulaanbaatar, May 23 (ITAR-TASS) — A delegation of the Russian Security Council headed by its Deputy Secretary Vladimir Rubanov has arrived in the Mongolian capital Ulaanbaatar today. The delegation began its official visit to the Republic with a meeting between Vladimir Rubanov and Secretary of Mongolia's Security council Zhargalsaikhana Enkhsaikhan. The talks focussed on problems of co-operation between the two departments.

During its week-long stay the Russian delegation will be received by Mongolian President Punsalmagiyn Ochirbat and Chairman of the Peoples' Great Hural (parliament) Natsaqiyn Bagabandi. The Russian representatives will hold talks with heads of permanent committees of the Peoples' Great Hural and departments of power, and sign a protocol of co-operation between the Security Councils of the two countries.

Ukraine's Ambassador Cited on Yeltsin Visit

MM2205134295 Moscow ROSSIYSKIYE VESTI in Russian 20 May 95 p 3

[Report by Aleksandra Lugovskaya: "Ukraine Awaits Visit by Boris Yeltsin"]

[FBIS Translated Text] The iron link Boris Yeltsin has forged between the timing of his visit to Ukraine to sign an all-embracing Treaty of Friendship and Cooperation and the solution of the Black Sea Fleet problem, as described at the 16 May special conference in the Kremlin, is viewed by Kiev officials with both understanding and concern. The understanding was put down by Ukrainian Ambassador Vladimir Fedorov primarily to the Russian president's clear-cut statement of the question: Don't let problems build up, tackle them. Which is entirely in line with Kiev's interests as well.

As is known, on 9 May, during the celebrations to mark the 50th anniversary of victory in the Great Patriotic War, Ukrainian President Leonid Kuchma and Russian Prime Minister Viktor Chernomyrdin agreed to continue talks on the Black Sea Fleet and on the joint work by delegations from the two countries, comprising their leaders and foreign and defense ministers. But, the Ukrainian ambassador stressed, Kiev agrees with Boris Yeltsin on the need for a fundamental solution of this matter, and the very fact of the Kremlin conference is seen as "top-level political interest."

"We do not see Russia's position as tough. On the contrary, what we see is President Yeltsin's concern and his desire to achieve mutual understanding and good relations between our countries. A special relationship, something that has been talked about before both in Moscow and in Kiev. These are not just words but a predetermination of the destiny of our peoples. We would like the negotiating process to continue as quickly as possible. The sooner the Russian president's visit takes place the better, because the big Treaty is the legal foundation of our relations. I would remind you that the Treaty draft has already been approved by Boris Yeltsin and initialed by both sides."

But the Ukrainian ambassador regards Russia's claims on the Black Sea Fleet as "not entirely objective." On this question Ukraine is following Russia's lead, he said. Ukraine followed Russia by declaring everything on its territory the property of its state. Including three military districts and, of course, the Black Sea Fleet. But, aware of Russia's strategic interests, it first agreed to split the ships on an equal basis, and then reduced its share to 20 percent. But a problem that is equally important as far as Kiev is concerned remains unresolved: On what terms will the Black Sea Fleet now exist on the territory of Ukraine? It is a question of territory, of defining the coastline, and of the number of Russian land-based forces to ensure the fleet's activities; and finally, the ambassador stressed, people's futures are being decided.

Although he is trying to understand the reasons for the postponement of the visit, Vladimir Fedorov at the same time made no secret of his concern: Aside from reports

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in the media, the Russian Foreign Ministry has not yet sent any documents through diplomatic channels. It remains unclear in what form the negotiating process will be continued. But he does believe a compromise will be found. This is confirmed, according to him, by the earlier accords. Ukraine, in particular, agreed to sign an agreement on USSR foreign debts and assets, and Russia itself agreed to restructure Ukraine's current debt. "Therefore we await Boris Yeltsin in Kiev," the Ukrainian ambassador said, bringing the brief telephone conversation to an end. "It would be a demonstration of the importance of our relations and of their special status."

Ukraine Must Share Black Sea Fleet 'Burden'

MM2205151295 Moscow KRASNAYA ZVEZDA in Russian 18 May 95 pp 1, 3

[Interview with Colonel Aleksandr Zhukov, chief of the Black Sea Fleet Finance and Economic Directorate, by Captain Second Rank Aleksandr Molchanov and Captain First Rank Vladimir Pasyakin; date, place not given: "Black Sea Fleet's Problems: Russia and Ukraine Committed To Finding Common Approach To Solving Them" — first two paragraphs are introduction]

[FBIS Translated Text] It is no secret that the situation regarding the Black Sea Fleet is one of the most serious obstacles to the development of Russian-Ukrainian relations. A wide-ranging treaty on friendship, good-neighborliness, and partnership has not yet progressed beyond its initialing by the state delegation leaders. But the prospects for mutual relations with Ukraine have probably never been dependent to such a degree on the situation specifically in the Black Sea Fleet and the Crimea as was the case 16 May at a working conference in the Kremlin. Prime Minister Viktor Chernomyrdin; a number of ministers; Army General Mikhail Kolesnikov, chief of the Russian Federation Armed Forces General Staff; and Admiral Feliks Gromov, commander in chief of the Russian Federation Navy, participated in the conference, which was chaired by Russian President Boris Yeltsin. "Today we have one question," the Russian Federation president said, opening the conference: "How to get along with Ukraine in the future. We cannot go on accumulating problems with Ukraine; we must take stock and make a decision today."

The conference took place behind closed doors, but it is not hard to surmise that its participants thoroughly discussed the whole range of the most complex problems which have accumulated in the Black Sea Fleet. Our correspondents discuss one of the extremely urgent ones — funding — with Colonel Aleksandr Zhukov, chief of the Black Sea Fleet Finance and Economic Directorate.

[KRASNAYA ZVEZDA] Aleksandr Vladimirovich, it is known that, under the agreements signed by the Russian and Ukrainian presidents, the Black Sea Fleet isa supposed to be funded by the two states equally — fifty-fifty. But this is not in fact happening, is it?

[Zhukov] In order to answer that question we have to go back to 1993. Ukraine's share of the funding of estimated fleet expenditure in that year was only 6.7 percent (the last receipt was on 6 December 1993). From then until the present time the whole burden of expenditure has fallen on the Russian military budget. At the same time, as a result of galloping inflation in Ukraine and price increases for all types of goods and services, the resources allocated to the fleet under the Russian Federation Defense Ministry estimate were clearly insufficient. Last year, for example, this made it possible to provide for only 68 percent of the most essential priority needs. That is why even fleet servicemen's pay and the wages of civilian personnel of the fleet's military units, organizations, and enterprises are being paid irregularly, with delays of between one and two months.

At the end of 1994 a critical situation arose in the fleet regarding the clearing of debts to Ukraine's ship-repair yards and other enterprises involved in refitting all types of ships. One can quite understand their complaints at all levels, right up to the Russian and Ukrainian presidents: Workers must be paid for the work they have done. Gosarbitrazh [State Board of Arbitration] and the tax inspectorates have imposed penalties on the fleet, which given the ending of the budget year jeopardized the issue of pay to servicemen and wages to civilian personnel for November-December.

[KRASNAYA ZVEZDA] What is the situation this year?

[Zhukov] The situation remains difficult, despite all the efforts made by the fleet command and the utmost support from the Russian Federation Defense Ministry Main Directorate for the Military Budget and Finance. As of today we have received only around 30 percent of the required sum. This has made it possible to pay the main bulk of pay to servicemen and wages to civilian personnel for January. The main bulk of the one-time money bonus for the conscientious performance of official duties based on 1994 results and for long and continuous service on ships has also been paid. At the same time debts for electricity consumption continue to increase. Many military installations are permanently without lighting, and some have not been heated at all this year. Most military units' current accounts have

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been frozen, and this threatens increasingly serious consequences for the fleet with every passing day. For example, the large ASW ship Ochakov, which is under repair, was powered down for 26 hours. Debts to Sevastopol communications personnel have led to Black Sea Fleet headquarters and directorate telephones' being cut off.

There is practically no chance of making settlements for scheduled fuel and food deliveries, there is nothing with which to pay customs dues, without which customs does not release freight, and, consequently, there is a stoppage, for which money must once again be paid. It is a vicious circle.

[KRASNAYA ZVEZDA] Why have the Ukrainian Armed Forces military units stationed in Crimea been exempted from land taxes while Black Sea Fleet units have not?

[Zhukov] The Crimean government decree of 22 December 1994 "On the Indexation of Payments for Land Use in Crimea and the Procedure for Paying Them in 1995" set land tax rates in U.S. dollars, which are converted into the national currency at the Ukrainian bank rate on the day of payment. They total hundreds of dollars per hectare per year, depending on the land's location and use. They are 10 times higher than the norms set for all other subjects of economic activity, including Ukrainian military units. Think about it: Realistically, where are such resources to pay the land tax going to come from?

The considerable sums paid in fines and penalties for late payment for services rendered, for commodity and material assets released, and payments to the Ukrainian budget are an additional burden on the estimate.

[KRASNAYA ZVEZDA] It is often claimed that the fleet is a "millstone around the neck" of the city of Sevastopol and that vast resources are being spent on maintaining it from the budgets of other Crimean cities and populated areas where the fleet's units are stationed. How justified are these claims?

[Zhukov] They are absolutely groundless. On the contrary, the Black Sea Fleet is incurring considerable expenditure in developing and maintaining general urban facilities in both Sevastopol and other populated areas where the fleet's units are stationed. Judge for yourself. The fleet built apartments with a total area of 54,920 square meters in 1993 and 31,301 square meters in 1994. A new district boiler house is being built and two old ones in Black Sea Fleet garrisons are being extended. In addition, the fleet is currently carrying out the construction of such general-use facilities as a 330-place kindergarten in Sevastopol, two stores in Simferopol and the port of Oktyabrskiy, a 2,000-number automatic telephone exchange in Yevpatoriya, and a bypass with full highway facilities around Sevastopol. Last year capital repairs were carried out on 65 housing facilities (43 of them at the fleet's main base) and at 78 communal buildings.

The fleet maintains nine housing management offices and one communal traffic regulation section, 18 boiler houses, and 24 children's school institutions with 2,615 places. There are four health camps with 2,180 places. The fleet has a large network of medical establishments in which, besides servicemen, members of their families as well as some of the local population are treated. I could add that the fleet maintains lighthouses, navigation aids, and other types of hydrographic support services and that it guarantees the employment of the local population in the places where large units, units, enterprises, and organizations (over 28,000 jobs) are located.

The fleet's expenditure on developing culture and sport in the region is considerable. At the fleet's Yacht Club No. 57 300 children go sailing free of charge, 40 people can row, and 40 can participate in multievent competitions at sea. Over 300 children visit the swimming pool, paying concessionary rates (50-percent discount). It also costs us a pretty penny to participate in maintaining law and order in populated areas (allocation of personnel and motor vehicle transport for carrying out patrol duties in garrisons).

[KRASNAYA ZVEZDA] Aleksandr Vladimirovich, how exactly does the fleet survive? Let us into the secret....

[Zhukov] In the current situation the fleet command is taking all necessary measures to "stay afloat." We are seeking additional sources of income to replenish the fleet's coffers. For instance, the decision adopted to rent out premises other than dwellings which are temporarily vacated by the fleet's military units is an additional source of finance. Given the extremely limited funding from the center, rent receipts in 1994 enabled the fleet to carry out 80 percent of winter preparations to military installations' communal facilities (boiler houses, heating systems, buildings, and structures). Ultimately this enabled Black Sea Fleet units to successfully survive the cold period of the year.

In addition, the military treasury has obtained over 3 billion karbovantsy from leasing ships, which has to some extent made it possible to carry out in-dock maintenance and repairs to a number of fleet auxiliary vessels. A specially formed department for selling the fleet's military property is selling technology, equipment, and material assets which have ended their

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service life. This too, of course, is a great help. But I want to stress again that there must be a radical solution to the problems of funding the fleet. Ukraine must share the burden of expenditure with Russia.

Chernyshev Quoted on Tajik Cease-Fire Extension

LD2205172995 Moscow INTERFAX in English 1624 GMT 22 May 95

[From the "Diplomatic Panorama" feature: by our diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, May 22 (Interfax) — Deputy Russian Foreign Minister Albert Chernyshev says he hopes that Tajik officials and opposition leaders meeting in the fourth round of talks in Almaty on Tuesday will agree to extend the ceasefire indefinitely or for another six months at least.

Russia acts in the observer capacity at the talks.

Chernyshev who returned to Moscow on Sunday after consultations with Tajik leaders in Dushanbe welcomed an agreement to extend the ceasefire expiring on May 26 for another three months. The agreement was struck by President Emomali Rakhmanov and opposition leader Sayed Abdullo Nuri during recent talks in Kabul.

Chernyshev did not rule out occasional fire exchanges, though the latest agreement itself marked a big step forward indicating that the warring sides were ready to embark on the road of national reconciliation.

Article Sees Tajikistan Isolated in Region

MM2305131895 Moscow PRAVDA in Russian 23 May 95 p 1

[Article by Igor Lenskiy: "Tajiks in Search of Peace. After the Meeting in Kabul"]

[FBIS Translated Excerpt] [passage omitted] Tajik President Emomali Rakhmonov, who became the most democratic leader in Central Asia by winning contested elections, should not be offended that he is being reprimanded by presidents who themselves recognize no opposition in their own countries. Still less should he be surprised that Uzbekistan and Kazakhstan, symbolic participants in peacemaking, are being obstinate, while Russia, which is providing 100 times more human and material resources and incurring the main losses, is gritting its teeth and staying silent. E. Rakhmonov, on the contrary, if he has analyzed the situation carefully, will draw a paradoxical conclusion: His colleagues in Central Asia have an objective interest in seeing the intransigent opposition cross the Pyandzh and become an active participant in the political process in Tajikistan.

The point is that Tajikistan is the only state in the Central Asian region that is oriented not to the flaccid organization with the abbreviation CIS or to the mythical Eurasian Union (which, being devoid of a political superstructure, is no union at all) but to real reunification with Russia. This is proved not only by the hundreds of thousands of signatures in favor of union collected by Tajik Communists but also by the statement by a strictly official person — A. Dostiyev, first deputy chairman of the Supreme Council — who maintains that a confederation with Russia is the only way out for Tajikistan. With the emergence of a new, sovereign-minded boss in the Kremlin in 1996, such a project could become a reality. Geographic remoteness and the lack of common borders undoubtedly constitute a restraining fact, albeit not a fatal one. It is easy to find precedents in the modern world — Alaska, the 50th state of the United States, or France's overseas territories, say.

These prospects are very unpleasant for [Uzbek President] Karimov and [Kazakh President] Nazarbayev. They are greatly concerned about the buildup of Russian armed forces in Tajikistan, which, following a possible change of power in Russia, will, so it seems to them, pose a threat to the independence of Uzbekistan and Kazakhstan. Tashkent and Almaty are following with guarded suspicion Rakhmonov's strengthening ties in Moscow. It is no coincidence that Tajikistan has so far been sidelined from integration within Central Asia. Strange "thromboses" are occurring increasingly frequently on the only "lifeline," which passes through Uzbekistan and links Tajikistan with the outside world.

But the main channel of Tajikistan's isolation is political. In the event of its legal return to the country, the Tajik opposition, as is known, is not opposed in principle to the border being jointly guarded with the Russians but is categorically opposed to any forms of unification with Russia and the socialist model of development. It was on these nonobvious coincidences that Uzbekistan's president found a common language with Tajikistan's Islamic Revival Movement. In New York last year Islam Karimov had a three-hour conversation with the Islamists' ideologues headed by Khodzhi-Akbar Turadzhonzoda. He is now contributing little by little to their convergence on power.

The fourth round of talks starting in Almaty today will show how far the leadership of Tajikistan intends to go toward a compromise. Questions of the republic's constitutional structure and the creation of a coalition government are on the agenda.

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Chernyshev Cited on Shared Use of Caspian Sea

LD2205141595 Moscow INTERFAX in English 1229 GMT 22 May 95

[FBIS Transcribed Text] MOSCOW, May 22 (Interfax) — Moscow does not object to the existence of the international consortium for development of oil deposits on the Caspian seabed area adjoining Azerbaijan which was formed in Baku in 1994, Deputy Russian Foreign Minister Albert Chernyshev told Interfax on Monday.

"The very fact of involvement of the Russian LUKoil company in the consortium proves that the Russian Federation is not against participating in it," said the diplomat.

At the same time, Russia is against a situation "when somebody says: this is my sector and I will develop it," he stressed.

"Unilateral actions are inadmissible as long as the question of sectors and their development is not settled. We do not want this to sow discord between Caspian nations (Russia, Turkmenia, Iran, Kazakhstan and Azerbaijan — IF note)," said Chernyshev.

Moscow is bluntly against "being imposed somebody's will. The Caspian sea is, first of all, a sphere of interests of five coastal states. Their rights should be ensured first, and then others' cooperation should be welcome," said the diplomat.

In the words of Chernyshev, "the use of Caspian mineral resources is the most acute problem related to the Caspian sea status. The Russian side stands for agreements on the problem and does not exclude a possibility of the Caspian sea division into zones."

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Political Issues

Yeltsin Informs Duma of Election Law Veto

LD2305082295 Moscow ITAR-TASS in English 0733 GMT 23 May 95

[FBIS Transcribed Text] MOSCOW May 23 (Itar-Tass) — Russian President Boris Yeltsin officially informed the State Duma Tuesday that he had vetoed its law on elections to the lower house of the Russian parliament.

An official letter about the rejection of the law was forwarded by the President to Duma speaker Ivan Rybkin, according to the presidential press service.

Yeltsin opposes three provisions of the law. He finds unoptimal that half of parliament seats would be occupied by runners on party tickets, insists that the necessary turnout be raised from 25 to 50 percent to make the election valid, and opposes the provision which demands that public servants and government officials who run for the State Duma suspend their professional activities before elections.

Rybkin said Monday he "sees nothing special" in the presidential veto. "I do not worry about that," he told reporters.

The Duma may agree to increase the number of lawmakers elected on the proportional basis to 300 and decrease the number of those on party tickets to 150, according to Rybkin.

"This is an acceptable norm," he added.

The vetoed law provides for a fifty-fifty scheme, under which 225 candidates are elected on the proportional basis and as many on party tickets.

Rybkin did not rule out the possibility that "the language of Article 44 of the law may be changed". The article obligates an officially registered candidate to the State Duma to resign if he is in public service or works in the mass media.

The speaker said the law may be reconsidered by the Duma already this Friday.

Yeltsin Letter to Rybkin on Veto

LD2305120095 Moscow ITAR-TASS in English 1120 GMT 23 May 95

[FBIS Transcribed Text] MOSCOW, May 23 (Itar-Tass) — Russian President Boris Yeltsin today sent an official letter to State Duma chairman Ivan Rybkin to inform the lower house of the Russian parliament that he had vetoed the federal law on elections to the State Duma earlier approved in the house.

Follows the full text of the letter released by the presidential press service:

"To: I.P. Rybkin, Chairman of the State Duma of the Federal Assembly

"In accordance with Section 3 of Article 107 of the Constitution of the Russian Federation and with due account of the judgement passed by the Federation Council of the Russian Federation I hereby veto the Federal Law On Elections of Deputies to the State Duma of the Federal Assembly of the Russian Federation.

"It is my judgement that the equal number of deputies to be elected to the State Duma of the Federal Assembly from one-mandate constituencies and from the federal constituency (225 and 225 respectively) as stipulated in this Federal Law does not reflect in full measure the role which the political parties and other public associations pursuing political goals play in the socio-political life of the Russian Federation; neither does it take sufficient account of the interests of the component parts of the Russian Federation.

"With this in mind, I propose that this ratio be changed to envision the election of 300 deputies from one-mandate constituencies and 150 from the federal constituency.

"The turnout of voters which Section 4 of Article 61 of the Federal Law proclaims necessary to declare the elections good is inappropriately low. Furthermore, the principle used to identify the candidate to be recognised as elected in terms of Section 1 of said Article is conducive to the loss of its representative character by the lower house of the parliament as a result of conducting elections in this manner.

"Based on these deliberations, I propose that the turnout requirement be increased to 50 per cent, and run-off elections be mandated in one-seat constituencies where no candidate scores more than 50 per cent of the votes cast by the voters who come to the polls.

"I also deem unacceptable the provision of Section 1, Article 44 which mandates that the candidates for deputy (of the State Duma) who are employed as civil or municipal servants or work for the mass media be relieved of their job duties. This restriction contradicts the general principle of equality of candidates for deputy as laid down in Article 43 of the Federal Law. In this respect I propose that Section 1 of Article 44 be dropped from the text of the Federal Law.

"For the purpose of doing away with these contradictions I propose that a tripartite conciliatory commission be set up comprising representatives of the houses of the Federal Assembly and of the President of the Russian Federation. This commission would be able to consider at its meetings also minor objections to the Federal Law.

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[Signed] B. Yeltsin."

Filatov on Yeltsin's Objections to Bill

LD2205124295 Moscow ITAR-TASS in English 1228 GMT 22 May 95

[By Tamara Zamyatina]

[FBIS Transcribed Text] MOSCOW May 22 (Itar-Tass) — President Boris Yeltsin has reportedly vetoed on Monday the bill on elections of the State Duma, Itar-Tass learnt from reliable sources in the Kremlin.

Yeltsin plans to send amendments to the bill for the consideration of the lower house, after the adoption of which the president will again examine the above document.

Yeltsin opposes three clauses of the law, according to Sergey Filatov, presidential administration chief.

Firstly, Yeltsin finds unoptimal the provision which would give half of parliament seats to runners on party tickets.

Secondly, Yeltsin insists that the turnout be made 50 percent to make the election valid. The State Duma-passed law sets required turnout at 50 percent for the presidential election and at 25 percent for the election of itself.

Thirdly, Yeltsin opposes the provision which demands that public servants and government officials who run for the State Duma suspend their professional activities two months before elections.

"This would damage performance of many bodies of the state," Filatov said.

The provision can leave Russia without a government as Prime Minister Viktor Chernomyrdin and most of his Cabinet members are to run for the State Duma in the Chernomyrdin-headed Russia Our Home bloc.

However on Saturday, Filatov said Yeltsin was going to sign the law and immediately send to the State Duma a motion to introduce his amendments to it.

Paper Sees Elections Delayed by Veto

MK2305095095 Moscow KOMMERSANT-DAILY in Russian 23 May 95 p 3

[Report by Veronika Kutsyllo under the "Regarding the State Duma Election Law" rubric: "Yeltsin Convinced, Too, Following Major"]

[FBIS Translated Text] Citing a Kremlin source, ITAR-TASS reported yesterday that Boris Yeltsin had vetoed the law on State Duma elections. By the time this issue was signed to press no official information on the subject had emerged. Nonetheless, this appears to be very plausible — such a turn of events is very much in line with the presidential style of decisionmaking. The thing is not, of course, that Yeltsin could not overcome his own aversion to the draft law. The coincidence of two reports -- about the veto and Vladimir Shumeyko's visit to the Kremlin — is more than symbolic: The president is not alone as he embarks on the path of war with the Duma. Behind him are the premier with "Our Home," and the ruling regional elite. Veronika Kutsyllo comments.

So, if ITAR-TASS can be trusted along with KOMMERSANT-DAILY's informers in the Kremlin, who also told KOMMERSANT-DAILY yesterday that the veto "would officially appear tomorrow, if not today," it was not presidential advisers — at pains throughout last week to dull the vigilance of Duma members and the rest of the population — who proved to be correct, but the honest premier, who said straightforwardly that the president would not sign the bill. One does not need to guess long as to why Yeltsin did so: As KOMMERSANT-DAILY has already written, even for so peculiar a person as the Russian president it is very difficult to resist the pressure of the regional authorities and one's own prime minister. Only because of this pressure Yeltsin had deliberately to trigger yet another revolutionary situation in the country.

One result of this decision (although not the most important one) may be a definitive loss of confidence in the liberal presidential aides. Of course, the suggestion that they have deliberately taken the public in by describing in detail the sequence of presidential actions (the signing of the law, submission of amendments to it to the State Duma, and a request to the Constitutional Court) is far from reality. To all appearances, for them the news about the veto came as a bolt out of the blue as much as it did for the deputies who believed them.

The country will easily put up with a certain loss of confidence in their words, however. It will be much more difficult to predict how the situation in general will be resolved. In return for the backing of the premier (who is turning into an increasingly independent politician fully capable of exerting certain pressure on the president), the Federation Council speaker, and the heads of the executive authority, Yeltsin will be presented with a restive State Duma, which will now be fully entitled to feel to have been perfidiously cheated. A presidential veto cannot be overridden (the Duma can muster two-thirds of the votes, but the law will not pass the Federation Council, in which only 11 people voted for it). That is, the law will have to be drafted once again and pass the entire lawmaking procedure yet another time. This is virtually impossible to complete before the

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Duma's recess. Moreover, Duma members are unlikely to give up the 225:225 ratio between "party" and "single- seat" deputies, which is so unpalatable for the president and so disadvantageous to the Chernomyrdin bloc (the "party of power" would benefit from increasing the share of "single-seat" deputies). In other words, a new version of the law is also doomed to failure. Therefore, the date of the parliamentary elections will also be called into question. Although Shumeyko has been asserting that he convinced John Major during his recent London visit that "the quality of elections is more important than the date on which they are held," many foreign politicians do not share this assurance, seeing elections within dates provided for in the Constitution as a guarantee of democracy in Russia.

Impact of Chernomyrdin Bloc Debated

954F2307A Moscow ARGUMENTY I FAKTY in Russian May 95 No 20, p 3

[Articles by Mark Urnov: "All Quite Normal" and Leonid Radzikhovskiy: "'I Fear...'"]

[FBIS Translated Text] The announcement of the organization of the Chernomyrdin-Rybkin two center election blocs remains the political sensation of April-May. Is this a resourceful move of the experienced strategist B. Yeltsin before the sequence of elections, a pastime of the leaders of the blocs, or a natural stage of the formation of Russian statehood?

Mark Urnov: 'All Quite Normal'

Chechen Yeast

The idea of the creation of large center blocs was simply in the air. It could not have failed to have materialized. Too many factors were prompting toward such a decision both society as a whole and industrial and regional elite groups. If we compare today's situation with the state of affairs prior to the last December elections, the centrism requirement in society has become far stronger. We are growing wiser. And the Chechen conflict performed a giant role here. As soon as the combat operations began, it became clear from all sociological surveys that considerable numbers of people who had previously supported the aggressive slogans of hard-line politicians had begun to turn in the direction of moderation. But even two years ago such mass extremism was entirely explicable.

Long Live I!

The tremendous number of people who voted for the extreme left did so because there was no moderate left structure whose program contained simultaneously freedom of the individual and social protection. Question: "Is 'freedom of the individual' a more sacred concept than 'motherland?'" In 1992 some 20 percent of those polled agreed with this. In 1994, approximately 50 percent. This does not mean that patriotism is receding. The value of private life is growing. The person for whom it is becoming paramount does not want a totalitarian, authoritarian structure of the state. He needs tranquillity and social protection. He does not need red flags and leaders who bang their fist and promise to resolve everything in just two days. Society is gradually beginning to cultivate a revulsion for them. The same in economic policy, in regional policy. Stability, continuity, order, and safeguards are needed.

Yeltsin Is Not the Sponsor

This is a real initiative, which comes from Rybkin and Chernomyrdin. That the formation of a moderate center is a very good thing for the president, as the guarantor of stability, is another matter. Because our party system which existed prior to the announcement of the organization and creation of this movement cannot be considered normal. Deputy V. Nikonov had a splendid image—our party is reminiscent of dumbbells, that is, inflated extremes and a thin, small, puny center. Such a party system has come into conflict with the citizens' expectations.

For the specialist it is obvious that among the electorate the spread of positions is far narrower than among party ideologists. It is very hard to find an ideologically consistent communist in society such as activists of the Communist Party are. It is very hard to find as consistent liberals as Ye. Gaydar's ideologists are. So the appearance of center political blocs signifies a very profound need for them. Who will join them? It is hard to say. This is a question of negotiations at the interparty, interpersonal level. A question of the search for their place of the leaders of this group or the other in one bloc or another.

The creation of new blocs will make the political spectrum normal—from dumbbells to a bell. The behavior of the electorate will normalize also. There will be less likelihood of chance outcomes of the vote. Unless I have an opportunity to elect this movement or that group toward which I gravitate, I begin to cast about. Either I do not go to the polls or I began to vote per the protest model, for anyone, that is. Elections become roulette.

The Key Figure Remains as Before

The question of whether the president will take part in the presidential elections or not is not connected directly with the question of the creation of a coalition. Just as the creation of center blocs is not connected with the

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possible participation of V. Chernomyrdin and I. Rybkin in the 1996 presidential elections.

That truly powerful, substantial figures will, truly, appear in the political space is beyond question. That this space will stabilize is indisputable also. How the presidential elections will shape up, it is hard to say at this time. Even three months is for us a whole era. And the nature of the presidential election race will be determined to a large, if not decisive, extent by whether the president takes part or not. He was and remains the most powerful key figure.

Leonid Radzikhovskiy: 'I Fear....'

Of the two "presidential" election blocs, one as yet is being formed actively. The second, "Rybkin," bloc has hung at the start. What does the Chernomyrdin bloc represent, why does Yeltsin need it?

The Official Version

was announced by the president. "I have given instructions for the creation of two powerful blocs.... I have entrusted the leadership of one to Chernomyrdin, the other, to Rybkin. These powerful blocs are to cut off the extremists.... Why two blocs? Because one would be too big."

If you want to understand why Yeltsin does this thing or the other, look to 12 June 1996—presidential election "judgment" day. This is the key to all his major actions. It is with a view by no means to the elections of a parliament lacking in power (this is a pretext, "mutual assistance") but to presidential elections that the blocs are being formed today.

But the blocs business is a dangerous venture. There is no reverse gear. Yeltsin runs a risk if Chernomyrdin's party wins. Yeltsin runs a risk if this party loses.

Risk No. 1

One victorious bloc (and its leader) is too big, too dangerous for the president on the threshold on that same 12 June. Yeltsin's advisers would like to arrange an isosceles power triangle with the president at the top—exquisite political geometry! This is the purpose of the blocs—providing the president with a base. However, while it was smooth on paper, they forgot about the ravines, and walking over them.... The ravines opened up literally in the first days. The Rybkin bloc slid into them. And the whole figure changed abruptly. Resulting from the comprehensible triangle is an unforeseen swing: Yeltsin is not above but opposite Chernomyrdin. It is here that there is a big risk for Yeltsin: In the event of a victory for the power party on 12 December, he would be encountering a premier who was supported by the Duma and the trust of the electorate! But then Chernomyrdin would have ceased to be premier at the will of the president. He would have become independent. But we do not have independents. Either dependent or an enemy. Such is the objective logic of the system.

Even if Yeltsin, Chernomyrdin, and their analysts have at this time agreed that the "Chernomyrdin party" is a prototype of a "Yeltsin party" and that it will amass votes on 12 December in order on 12 June to "transfer" them to Yeltsin, all this is idle dreaming. Considering the president's "catastrophic popularity," the power party could on 12 December amass votes precisely because the head of it is not Yeltsin. So the votes will, most likely, not be "transferred," the president will, most likely, be replaced.

So why did Yeltsin "give the instruction for creation of the bloc"? The most widespread version: Chernomyrdin has been exhibited in order to be exposed. The power party is simply from the mood of the electorate doomed to fail—like Russia's Choice in 1993. And if, in addition, this party is secretly brought down by the administration and the news media linked with it and if all the other parties inveigh against it, its failure is even more probable. Then all is simple: Preparing for 12 June, Yeltsin is knocking out ahead of time all potentially dangerous competitors primarily from the power structures. The first was Luzhkov (it is said that the "mowing of the meadows" is not yet finished), the state's "No. 2" will be the second. Following his defeat at the elections, the premier will either quit or a suffer a drastic loss of influence.

Risk No. 2

Defeat at the elections and the subsequent fall (or even an abrupt weakening) of the government would not strengthen the president but dislodge the levers of power from his hands. Were a new Duma to create "its" government, the president would simply be left hanging in air or would be supported only by the bayonets of his "power people." But would they be reliable in this situation? Were a weakened government to continue, nonetheless, it would once again be put in the situation of the fall of 1993: with the president or with a rebellious parliament?

In the past three years Yeltsin has unhesitatingly "surrendered" his entire close entourage and has only become stronger by stamping down this crumbling bunch. He could, not without difficulty, it is true, dump Chernomyrdin also. But he should then have brought down the premier by the "normal" behind-the-scenes and under-the-rug method. But a public defeat of the head

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of the government would mean public distrust of the entire present system of power. In this situation Yeltsin could not distance himself from a drowning premier. You cannot cut down a premier on whom you rely!

A defeat of the power party on 12 December would mean that an even bigger defeat would await it on 12 June. Chernomyrdin's win would not produce a victory for Yeltsin: One can picture an electorate that votes for Chernomyrdin's power party, but is tired of Yeltsin. But Chernomyrdin's loss would leave Yeltsin with no chance: It is impossible to imagine an electorate that votes in December against Chernomyrdin's power party, but in June for Yeltsin!

For the pots smashed on 12 December Yeltsin will have to pay on 12 June, all the same. How? Either with election defeat or with cancellation of the elections. Cancellation would mean one further coup, without any authority and without the confidence of the government. What would remain to him? To conclusively become a hostage of the "power people."

Does Yeltsin and the entire power party have another way out? Perhaps just one. To do everything for the victory of the power party on 12 December and to reconcile themselves to the fact that after this victory it would have to declare Chernomyrdin the president's successor. For Yeltsin and his "close circle" this would be, for all that, the lesser evil. Only the president himself is hardly prepared for the sake of preservation of his policy and his advisers to sacrifice his crown. This would somehow be out of character for him.

....What then? I fear upheavals—not on 12 December but on 12 June. This would mean risk No. 3. A risk not for the authorities but for Russia, for all of us.

Rybkin: Yeltsin Elections Veto 'Nothing Special'

LD2205183395 Moscow ITAR-TASS in English 1820 GMT 22 May 95

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW, May 22 (Itar-Tass) — State Duma Chairman Ivan Rybkin said he "sees nothing special" in the fact that the president may veto the law on elections to the State Duma passed by the lower house of parliament.

Rybkin told journalists on Monday that "I do not worry about that."

It has been reported earlier that Russian President Boris Yeltsin intends to veto the law and submit his proposals to the Duma for consideration. After that the president will reconsider the law again.

Even if the president exercises his veto, the Duma may, after considering his proposals, change the number of deputies elected in one-seat constituencies and on party tickets, and adopt an amendment, under which there will be 300 deputies elected in one-seat constituencies and 150 on party tickets, Rybkin said.

"This is an acceptable norm," he added.

The law passed by the State Duma provides for a fifty-fifty scheme, under which 225 candidates are elected in one-seat constituencies and as many on party tickets.

Rybkin did not rule out the possibility that the language of Article 44 of the law may be changed. The article obligates an officially registered candidate to the State Duma to resign if he is in public service or works in the mass media.

If the president vetoes the law and returns it to the Duma, it may be reconsidered already this Friday, Rybkin said.

Rybkin Interviewed on New Parliamentary Bloc

LD2205193095

[FBIS Editorial Report] Moscow Russian Television Network in Russian at 1625 GMT on 22 May in its "Details" program carries a 10-minute interview with Russian State Duma Speaker Ivan Rybkin by announcer Nikolay Svanidze.

Svanidze says that for the Duma's next convocation, Rybkin will presumably want to stay on as speaker. Rybkin says he hopes the next Duma speaker finds the factionalization less intolerable. Political will is needed for a common denominator to be found to the feckless factionalization.

He speaks of the two main groups that can cooperate together and gives as an example Hungary, where the Socialist Party got 54 percent of the votes in the last elections. He envies Hungary for this.

Svanidze says there are various ideas as to what the basis of Rybkin's bloc will be. One is that it will be the Agrarians. It will be joined by the most pragmatic part of the Zyuganov communists, some of the trade unions, Women of Russia perhaps. Asked if this seems a true picture, Rybkin says: "Essentially the basis of the electoral stratum to which the association is orientated are people of labor, intellectual and physical labor." He adds that 70 percent of them did not vote. Their interest needs to be stimulated. He speaks of the possibility of an alliance being formed.

Svanidze asks Rybkin if the fact that he is leader of the Agrarian Party contradicts his leadership of the Duma.

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Rybkin says his bloc is inter-party and there is no contradiction. The Agrarian Party is a party of social democracy, peace, partnership, and justice, he says, and none of these points contradicts what he is doing.

Svanidze points out that the Agrarian Party occupies an opposition stance on many issues toward the president and government, but the role of a left-centrist bloc is thought of as something quite different — loyal toward the authorities. Is there any contradiction here? Does he have any difficulties with the bloc?

Rybkin says he has no difficulties. Many parties, movements, groups, and foundations want to cooperate and talks are being held.

Asked if the president puts pressure on him, Rybkin says the president has never put pressure on him and he does not think the president would allow such a thing. That would be a simplistic interpretation of the relationship between the Duma speaker and the president and prime minister. There are constant consultations, he says.

Rybkin on Status of Interparty Electoral Bloc

MM2305092895 Moscow PRAVDA in Russian 20 May 95 p 1

[Interview with State Duma Chairman Ivan Rybkin by Boris Slavin; place and date not given: "Ivan Rybkin. Democracy Represents Choice" — first two paragraphs are introduction]

[FBIS Translated Text] Plans to create two electoral blocs, headed respectively by V. Chernomyrdin and I. Rybkin, have, as was to be expected, generated a multitude of questions among our readers. Their interest in this subject has intensified along with the extensive mass media coverage of the steps being taken to create the "Russia Is Our Home" bloc. At the same time, nothing can be heard about the formation of the other bloc.

In this connection, here is our correspondent's short interview with State Duma Chairman I. Rybkin.

[Slavin] Ivan Petrovich, would you mind dispelling the doubts of PRAVDA readers and say whether or not the electoral bloc that you are supposed to head will be created?

[Rybkin] Definitely.

[Slavin] Is it a center-left bloc?

[Rybkin] I said that an interparty bloc will definitely be created. I believe that the bloc will decide for itself who will be its leader. There is also the "Accord" sociopolitical movement, and it has asked me to head it. I suppose I have some time for reflection. Once the law on the election of deputies is signed, you will obtain a more detailed opinion and information.

[Slavin] Are talks going on with other parties on the creation of a center-left bloc?

[Rybkin] Talks have already been going on for four months.

[Slavin] What is your reaction to what Mikhail Lapshin said concerning the fact that you have made your final choice and will participate in the elections within the framework of the "Agrarian Party of Russia"?

[Rybkin] As far as the "Agrarian Party of Russia" electoral association is concerned, I am deeply convinced that this electoral association has the right to existence inasmuch as it has proved its great effectiveness. It must exist.

[Slavin] But you have in mind a broader association than the Agrarian Party?

[Rybkin] I believe that if someone wants to join the interparty bloc, no one will be banned from doing so. We need as few bans as possible, and as much choice as possible, because democracy represents choice for any individual, and for any party or movement.

[Slavin] How would you describe the spectrum of left-wing forces on the right and on the left?

[Rybkin] Well, you know, that's a long story. I can say at least that around 25 sociopolitical associations and parties have expressed their desire to join the interparty bloc. What happens next will be settled by the expressions of will at congresses and conferences. This bloc will primarily reflect the opinion of Russia's regions. As for the "Accord" sociopolitical movement, it may comprise one component of this bloc. There are already some bigger associations in it. A constituent congress will settle the fate of the election bloc, but at the moment there is no law on elections of State Duma deputies, and it is too early to talk about this.

Shumeyko on Rybkin Bloc, Presidential Elections

MK2005080095 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 20 May 95 p 1

[Interview with Federation Council Speaker Vladimir Shumeyko by Yuliya Kalinina: "What the Speaker Needs Is a Hook, a Line, and Oil. As for 1 Million Votes in the Presidential Election, He Will Garner Them All the Same" —on board a plane en route from London to Moscow; date not given]

[FBIS Translated Excerpt] [Passage omitted] [Kalinina] Vladimir Filippovich, you have already said that you support the "Russia Is Our Home" movement, but you

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are not going to take part in it. Have you been invited to join it?

[Shumeyko] No, I haven't. But I cannot take part in this bloc anyway because, first, I am the speaker of an operating chamber and, second, I have no personal interest in State Duma elections whatsoever. An electoral bloc is a temporary formation that has an end goal — elections. Beyond them it does not exist. [passage omitted]

[Kalinina] Why is it that Rybkin's bloc has become hung up in the air? Will he manage to assemble a bloc?

[Shumeyko] I do not think they have anyone left to align with any longer.

[Kalinina] Why has this occurred?

[Shumeyko] Well, maybe because Ivan Petrovich is a member of the Agrarian Party and he has already signed an agreement on an electoral bloc. And he will contest elections precisely from within the Agrarian Party.

[Kalinina] But he did hold talks with the president and promised that he would get down to setting up precisely a left-of-center, not an agrarian bloc. That is, he has already been announced as the leader of a left-of-center bloc. Why didn't this plan succeed?

[Shumeyko] Maybe it did not succeed precisely because it was not he who started the announcing, but others on his behalf...

[Kalinina] This incident with summer house furniture... Do you think this actually happened? Or is this just the election struggle? Maybe Rybkin was simply set up?

[Shumeyko] You know, Ivan Petrovich bought a plastic table, four chairs, and an umbrella to stick in the middle of the table. All this furniture, assembled, occupies just one small box and does not have anything to do with "furniture transportation." All this was done as an electoral struggle. A wide-ranging coalition of left-of-center forces under Rybkin has been announced. This has led to a situation where they have started making attempts to "shoot him down" at a very early stage as a leader of another political bloc.

[Kalinina] Have you bought anything for your household this time?

[Shumeyko] Yes. I have been to two "fishing" stores today, and I bought six lines with carp hooks. I also bought a few other hooks. Oil for a fuel saw. And that's it, perhaps... Oh, yes, also two bells.

[Kalinina] You confirmed in a conversation with a British journalist his words that in Russia you are seen as "a No. 1 candidate" for the presidency after Yeltsin?

[Shumeyko] Well, many people say so.

[Kalinina] And you yourself? Do you have data supporting this viewpoint? Say, results of public opinion polls or surveys by your analysts — or, maybe, you may have had some private conversations?

[Shumeyko] I do not believe in polls. They are all contract jobs.

In order to become a candidate in presidential elections, one needs to collect 1 million signatures, but not more than 7 percent of them in one region. That is, 70,000 signatures in each of 16 regions. My relations with regions, my trips, communication with the local leadership confirm that I am capable of collecting this many signatures. It is unlikely that all those who have announced themselves candidates will be able to raise this many signatures.

Constitutional Court To Examine Decree on Chechnya

LD2305093495 Moscow Radiostantsiya Ekho Moskvy in Russian 0800 GMT 23 May 95

[FBIS Translated Text] Federation Council Speaker Vladimir Shumeyko told a plenary sitting today that the Constitutional Court no longer has any reason not to examine the secret presidential decree on the actions of federal troops in Chechnya.

[Unidentified correspondent] Last month the Federation Council asked the Constitutional Court to verify the constitutionality of the secret presidential decree. However, the Court has not yet began its verification, because the request was officially classified as secret as it contains quotations from the secret decree. Vladimir Shumeyko, speaker of the upper chamber, said it was necessary to put the official secrecy seal on the request because of the law on state secrets. Shumeyko said he attached the seal because no one else wanted to do it.

However, the Constitutional Court cannot examine requests with secrecy seals, because it has no provision for dealing with such requests. Therefore, Constitutional Court Chairman Vladimir Tumanov has asked for all quotations from the presidential decree to be deleted from the request and for the secrecy seal to be removed from the document. He said that if necessary the Constitutional Court will ask for a copy of the decree from the presidential administration.

Vladimir Shumeyko has complied with Tumanov's request, and according to him, the Constitutional Court can now examine the Federation Council's request.

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Gaydar Views Foreign Policy Priorities

MM2205140095 Moscow IZVESTIYA in Russian 18 May 95 p 4

[Article by State Duma Deputy Yegor Gaydar: "Russia in the 21st Century: Not a World Policeman, But an Outpost of Democracy in Eurasia"]

[FBIS Translated Text] One of the widespread charges made against "Russia's Choice" and other democratic parties is that we do not have a foreign policy concept or, to be more precise, a concept of Russia's national interests in the world. The reproach is correct only in one sense: We are indeed not articulating this concept properly (Footnote) (I am not speaking of the problems of the CIS — that is a topic for a separate discussion).

Defense Mentality

Foreign policy and geopolitical concepts are not ends in themselves. They are always the product of a general political philosophy, of a general picture of the world. Essentially, only one foreign policy concept has always in reality been dominate in Russian history — an imperialist concept. It was formulated very accurately by Former Foreign Minister Molotov. "It is good that the Russian czars won us so much land. Now it is easier for us to fight capitalism." This demonstrates the clear succession between the czar and those who killed him — a succession in political thinking. The maximum expansion of the empire's borders — for what purpose? "To fight capitalism." But of course, the czars with whom Molotov demonstrates a spiritual kinship did not have this class-based ideological justification. However, a kinship and a common mentality did indeed exist:

"From here we will threaten the Swede,

"Here a city will be founded,

"To the detriment of our haughty neighbor." [Peter the Great contemplating the foundation of St. Petersburg in Pushkin's "The Bronze Horseman"].

Imperialist, expansionist thinking, of course, was not peculiar to Russia. At certain stages (and very lengthy ones) it was typical of all "great states" and empires — from the Roman Empire to the British Empire.

It was precisely in 1914, when Lenin wrote of the triumph of imperialist policy and imperialist psychology on a world scale, that this psychology collapsed. The traditional, imperialist psychology of the great states led them to the brink of destruction in senseless worldwide slaughter. This war, this Pyrrhic victory, shattered the imperialist policy of the democratic states — the United States, Britain, and France. The crushing defeat of 1945 shattered the most "hard-boiled" great-power imperialist political psychology in modern history — that of Germany. Then a fundamental line was drawn under major wars — with the appearance of thermonuclear weapons it became obvious that henceforth Great Wars were taboo, if mankind did not want to destroy itself.

After 1945 the USSR remained — thanks to our unvanquished totalitarian system — the last empire, the last great state, the entire political philosophy of whose leaders remained in the 19th and earlier centuries. And galling though it is, it must be admitted that the West feared us, poor, aggressive, and shut-off as we were, with full justification. If it is possible to speak of the great historic merits of Gorbachev, they are that he managed to make an intellectual leap forward. In the conditions of the Cold War, which the Soviet Union had lost, he managed to reject the chimeras and hallucinations of imperialist thinking.

The axiom of this [new] thinking is not only that a Great War is absolutely impossible, but also that it is absolutely unnecessary. Not only are there no goals for which it would be worth paying such a price (the price of the lives of one's own people!), but also war in general has no rational goals from the point of view of a democratic politician and a democratic state.

War means:

a) the convulsive contraction of political democracy,

b) the convulsive expansion of state regulation of the economy.

Both of these destroy the very fabric of the civil society. If the goal is to expand territory and consolidate a personal (or oligarchic) dictatorship within the country "to the detriment of our haughty neighbor," then war is entirely rational in principle; it is only necessary to consider whether it is within the regime's power. If, however, the aim of policy is to preserve democratic freedoms and to increase the population's standard of living, any war (including a victorious war) is a war against this policy. In short, an addition must be made to the classic definition. War is the continuation, the political development, of AN IMPERIALIST policy through other means, and war is the guaranteed destruction, the annihilation, of A DEMOCRATIC policy by means that are incommensurate with it.

In principle, many people agree with this today. But few will wish to follow it through to the ultimate CONCLUSIONS.

Fear of the West Is Illogical

The democratic West fears Russia — fears it both through tradition, and because democracy is indeed not

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yet firmly established in our country. But Russia has no reason to fear the West — at least in the military aspect. If a totalitarian order were to arise again in our country, we would indeed present a danger to them. But "they" — the United States and Europe — do not in principle present a military danger to us, because they would not, for the satisfaction of attacking us, wish to destroy their own democracy, to destroy their entire way of life and thinking.

There is a certain psychological trap here, which stems from long-held traditions. Here are two questions. First: Could we calmly watch while NATO expands toward our borders? Could we regard the strengthening of American military might just as indifferently - - or even with encouragement? — as do Germany, Japan, and other countries? The answer of the huge majority of our citizens is a more or less energetic "No!" And our esteemed opponents will simply shout for joy: Ah, they have finally cast off the mask, Mr. Gaydar and co., they are agents of influence! Very good. Then let us ask a second question: Could we be attacked from the West — attacked by the United States and Europe? The answer, I hope, is no less unanimous and energetic: "Of course not!" But is there not a contradiction between these two "Noes"?

Of course there is. It is easy to acknowledge this intellectually, but not emotionally. However, it will have to be acknowledged all the same.

In democratic countries there are economic interests and economic competition. The United States has lost out in this competition to Japan in many ways because Japan has rid itself of a burden of military expenditure which it could not afford. The Land of the Rising Sun, with its proud Samurai traditions, populated by a people in no way less patriotic than ourselves, acted in this manner. We have lost out, and continue to lose out, in this economic competition precisely because — apart from other factors — we have been dragging, and continue to drag, a burden of military expenditure which we cannot afford. Moreover, the most interesting — and the saddest — aspect of this is that this nuclear missile shield is a leaky sieve when it comes to the country's national interests. Bending under the inordinate weight of this shield, the USSR (and later Russia) "successfully" transformed itself into a raw material adjunct of its "potential adversary." The imperialists will attack us in order to turn us into their raw materials base! — the comrade professional patriots will shout. But this attack — with checkbooks at the ready — took place long, long ago, decades ago, and its aim is being achieved with complete success, in the shadow of terrible missiles.

To pump oil and gas for the sake of spending money on the arms race on the pretext...of protecting ourselves from the destructive influence of Western monopolies? If there is a more absurd policy then this, it is difficult to imagine it at any rate. The rational policy is clear: To invest money (including money generated from exporting raw materials) not into the fire-box of the military steam train, which travels around in a circle, but into developing an infrastructure which can ensure the country rapid economic growth and give it the opportunity to compete successfully with Western countries in the only real, economic, peaceful field. In order to recognize this and to begin to act accordingly, it is necessary to make our political consciousness truly open and rational, to cure ourselves of the paranoias of the "defense mentality." It is necessary to "defend ourselves" against the expansion of the democratic countries only in one sphere, a sphere which everyone understands — the economic sphere.

Of course, it is easy to recognize all this "in general." Practical conclusions are far more difficult. Here are a few: There are no reasons to regard the strengthening of NATO as a threat to Russia's interests. On the contrary, Russia has every reason to establish a close alliance with NATO. Good relations with Japan are vitally necessary to us. And for the sake of such relations it is essential to restore justice — to do in bilateral relations what the USSR promised to do a good 40 years ago.

Problems of the East

We will measure our relations with the East by the same yardstick by which we measured our relations with the West. Only here everything is turned upside down: In principle, we have grounds for fearing the poor, nondemocratic countries by comparison with which we are richer, more open, and more predictable. There are definite reasons to fear that same "South" toward which a certain democrat well-known for his liberalism once wished — for one last time — to push.

Such a "push" is impossible for us, and there is no reason for it. Our main task is to help to consolidate in this region open, stable, democratic regimes which are not dangerous for us. Of course, it is not a question of foisting a model of democracy on anyone. Each country chooses its system itself. But we are, of course, deeply interested in seeing in the East and South stable and nonagressive states which resolve their problems on the economic front as successfully as possible — in much the same way as the United States and Europe are interested in a similar development in our country.

Here, incidentally, we can actually "define ourselves." Our real situation clearly shows that we are no longer

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a superpower, the world communist policeman. But we are, and will always remain, a great regional Eurasian power. A power on which the stability of the entire Eurasian continent depends. Let us briefly review our borders.

In the sixties and seventies everyone in our country was seriously frightened by the possibility of war with China. This fear received a powerful artistic embodiment in Tarkovskiy's [poem] "The Mirror"; Solzhenitsyn also wrote about it. These fears proved to be exaggerated and premature, but hardly without foundation. Unfortunately, Solzhenitsyn was mistaken — he believed at the time that the reason for our confrontation with China was ideological — a quarrel over quotations from Lenin and Stalin. No, the cause is far more serious. The density of the population on territories adjacent to China is about a hundred times less on our side than on the Chinese side. The population of China is eight times as great as that of Russia.

None of the measures undertaken by the Chinese leadership to limit the birth rate are having the desired effect. We wholeheartedly welcome China's economic successes and are committed to its democratization, but we must realize that, unfortunately, China will not become a stable, prosperous market democracy in the next few years. With our weakness, our huge, unassimilated territories in the Far East, we provoke a threat. We must not provoke this threat. Therefore, it is necessary to dramatically strengthen the entire infrastructure and economy of the Far East and Siberia. The Far East region, according to many predictions, will be the economic heart of the world in the 21st century. And we need allies in this region. One is Japan. I have already spoken of the price that must be paid for the creation of such a union. I suggest that, in view of the real significance of good relations with Japan for the development of the Far East economy, this is a small price to pay. Of course, when one considers long-term state goals.

A further point. It is also necessary to strengthen the military alliance with the West and switch our deterrence potential toward the Far East. Traditionally, we have always had sufficient military resources concentrated there. These must be maintained at the proper level, however difficult this may be.

Now for the South. I consider talk about a "Muslim threat" or an "Islamic threat" to Russia to be simply provocative. This applies to countries outside the CIS, and even more so to the CIS countries. There are no "bad" or "implacable" religions or nations. Anyone who claims the opposite is either an ignoramus or a provocateur. There are very different regimes in the Near East, including stable and economically successful ones. Of course, in the majority of them there is and will be no democracy in the Western sense in the foreseeable future. But there is no "export" of democracy: At any rate, it not for us to engage in such a practice and intervene in their internal political affairs. But to develop relations with these countries is necessary, although conflicts of interest with our Western partners, including the United States, are, of course, entirely possible here. But who said that our diplomacy should boil down to the single phrase "just as you like"? Strategic partnership with the United States — plus entirely possible tactical competition in a whole range of zones of influence, competition to the degree for which we have the strength today. Moreover: Here we must cure ourselves of yet another illusion. This illusion consists of the following: As long as we are the United States' rivals, it is said, they will reckon with us more than they would if we were their allies, ready to make big concessions, including on trade questions. There is nothing stranger than this opinion, which is sometimes expressed — especially off-record — by our "strategists." Now then. If the United States believed that we were truly reliable allies, the only one of their allies with such military might, with such a geostrategic position, a truly key ally in the modern world, in that case, of course, they would do everything to safeguard our alliance with them, to ensure this alliance was advantageous to us. The Americans know how to be enemies — the Cold War showed that. But they also know how to be friends — as World War II showed. Indeed, contemporary politics also demonstrates this — for instance, during the introduction of sanctions against Libya the United States thrashed out all the details long and carefully with its allies, for example, with France. But for some reason they were far less interested as to whether these sanctions affected Russia's interests.

And so: We have no contradictory evidence — neither ideological, nor geopolitical — opposing a firm military-political alliance with the major democratic countries. This alliance is advantageous to us on the military, the economic, and the geopolitical plane. It could be one of the most important guarantees of the stability of the entire system of relations prevailing in the post-Communist world. A network of such alliances between the democratic countries would also be a good buttress for the United Nations, and an element in collective security — against international terrorism and against unstable and totalitarian regimes. Major strategic programs which are not within the capacity of individual countries could also be realized in the framework of such alliances.

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This is how I see the priorities of our foreign policy in the foreseeable future. Here it is necessary genuinely to conclude transition to genuinely new thinking, with a new set of priorities. Foreign policy as an element not of imperialist, but of democratic policy, as an instrument of supporting democratic society in our country.

Project To Restructure Political System

954F2322A Moscow MOSCOW NEWS in English 5-11 May 95 No 17, pp 1-2

[Article by Lyudmila Telen, MN deputy editor-in-chief: "The Party of Power Enters the Ring"; first paragraph is introductory paragraph]

[FBIS Transcribed Text] "Russia Is Our Home" is the name of the electoral bloc that Premier Viktor Chernomyrdin intends to establish. The name of Duma Speaker Ivan Rybkin's bloc is still unknown.

It should be said that there is nothing new in the project to radically restructure the Russian political system if we look at the American experience. The plan is the following: to unite the majority of the existing parties into two large blocs — pro-governmental and permissibly oppositional. On the basis of the two parties, parliament and eventually the government would be formed. It will most likely be a coalition government, while extending the principle of coalition downward to all executive structures. The model's quality remains a subject of dispute among political scientists. However, no one is willing to translate it into reality. Now the zealots have been found. Among them are the MPs Sergei Shakhray and Vyacheslav Tikhonov; Sergei Filatov, the president's chief of staff; Georgi Satarov, an aide to President Boris Yeltsin; and several others.

The Premier Makes the First Move

Generally speaking, the idea of creating large electoral coalitions did not attract only these politicians. In the past month or two consultations about this were conducted by practically all party and movement leaders. Of course the presidential and governmental administrations were both aware of this. According to all logic, the issue concerned only the moment when the higher-ups were to join in this process in order to intercept the initiative. If it were too early, the potential allies would be scared away; if it were too late, the government would be lost. When then?

It looks as though zero-hour came as a surprise to many participants in the behind-the-scenes process. The premier was the first to take the floor and, according to Interfax, announced the creation of a bloc of left-center orientation. The president quickly supported him, having creatively developed his thought: Chernomyrdin's bloc would be known as right-centrist, and Rybkin's would be known as left-centrist.

One can only imagine the reaction of the project creators and executors. Now they had to explain which of them intended to be on the right and on the left, as well as settle the scandal surrounding Rybkin, who had still made no statements. They also had to apologize to the party leaders who had been included among the allies of the authorities, without adherence to any rules of propriety.

The Powers May Relax

Opinion polls have shown that the majority of voters in Russia wants the elections to be held according to the time stipulated by the constitution. This law-obedience by fellow citizens most likely reflects a desire to renew the regime, which has lost a great deal of trust. Such is the main public mood that will determine the attitude toward elections. This is why it is possible to name, with certainty, a number of parties, which will under no circumstances join the party of power. Despite all the differences in their programs, their main trump card is opposition to the regime.

The Democratic alternative. Today this definition applies to all serious parties and associations in the liberal spectrum. The last pro-presidential bastion, known as Russia's Democratic Choice, fell during the Chechen war. Others such as Yabloko and Forward, Russia! have considered themselves as opposition movements from their very inception. Thus, the unification of these three parties with Chernomyrdin's team is practically ruled out. MN has learned that, the bloc's initiators, nevertheless, count on Boris Fyodorov.

The Communists. Despite the abundance of parties that have retained allegiance to communist ideals, only one deserves serious consideration: Gennady Zyuganov's Communist Party of the Russian Federation (CPRF). Zyuganov's unification with Chernomyrdin would spell political death for the leader of the opposing CPRF and for the party itself. An alliance with Rybkin? Also hardly probable is that the orthodox communist voters, who form the backbone of the CPRF's electorate, will not forgive the party for its right-wing deviation.

Nationalists. The parties and their leaders on this flank differ from one another mainly in their degree of national-aggressiveness. It varies broadly: from the extremities of Barkashov's Russian National Unity (RNU) to Skokov-Rogozin's Congress of Russian Communities. The authorities will hardly be able to find allies on this flank either.

The initiators of new blocs most likely do not even count on nationalists. Incidentally, the Congress of Russian

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Communities, or some part of it, could support the great power slogans of the Party of Russian Unity and Accord (PRUA). However, even this is not likely to happen now. Alexander Lebed's almost inevitable rise to the top of Congress, helped by unkind words from Grachev, eliminates the regime's chances for cooperation with the communities.

Right Left Center

Even at the previous elections Shakhray's PRUA tried to gained prestige as the "party of pragmatists." Judging by the initial statements of Chernomyrdin's followers, this slogan will also be adopted by the new electoral bloc. It can be presumed that the premier intends to recruit potential allies precisely from among the pragmatists.

Pragmatists. Today the Industrial United Party is playing on this field. In addition to this, there is the Realists movement, headed by Yuri Petrov, Yeltsin's former chief of staff. There is also Yuri Skokov's Association of Commodity Producers, the Women of Russia movement, and the Federation of Independent Trade Unions, which has already announced its intention to aliy itself with the Industrial Party.

Social-democrats. The politicians of this orientation have conducted consultations on a possible electoral association. The participants in the talks are well known: Vasily Lipitsky's Social- Democratic People's Party, forming together with a number of small movements, the Social-Democratic Union, Alexander Yakovlev's Party of Social Democracy, and Lyudmila Vartazarova and Roi Medvedev's Socialist Party of Working People. There is also the Agrarian Party and the Democratic Party of Russia, led by Sergei Glazyev.

Consultations have shown that there is a basis for the unification of these movements. It shows in the obvious similarity of their programs, the moderately left-wing range of electors and the nonconcurrence of their spheres of influence (the agrarians lay claims to the countryside, whereas other social-democrats appeal to the city)... However, the main characteristic uniting all of them is the same: opposition to the regime.

Thus, the pragmatists and the social-democrats are truly inclined to unite with their like-minded followers. But an alliance under the premier's banners? Hardly so. On the contrary, the talks with Ivan Rybkin can bring about a result, but with one stipulation: the members of the new bloc will insist that it be in the opposition, which is hardly possible either following the president's public "blessing" of the New Left.

Incidentally, the premier will not be left without allies either. The material facilities of the newly-formed movement should not be forgotten either. Some of the comrades-in-arms are already known. They are the cabinet of Russian ministers, the PRUA, and the Stability and Russia parliamentary groups. They are the directors of the Volzhsky (VAZ) and Likhachev (ZIL) Motor Works, as well as the administration of the Gazprom association, presumably in its entirety. Finally, there is the regional nomenklatura, which is dependent on the federal center: from Tatarstan's President Shaimiyev to the governors of Russian provinces.

Apart from this, Chernomyrdin is relying on Yakovlev's and Volsky's parties. Is this enough to win an honest struggle at the coming elections and steal away votes from Yavlinsky (who has been increasingly gaining strength), Gaidar (who continues to be popular among the consistent followers of Russia's Choice) and Zyuganov (who is faithful to his ideals)? Chernomyrdin's followers maintain that it is enough, and provide this figure: half of the seats in both chambers of the Federal Assembly. However, the reply will still come from the electors, those same electors who already expressed their attitude toward the regime by voting Zhirinovsky into the Duma.

The President's Plan

Everyone knows that Yeltsin has not yet announced his decision to run for a second term. However, this decision has been made. MN has learned that Filatov has already been appointed his campaign manager, according to the president's written instruction. The formation of the two blocs actually amounts to the first act in the outline of this campaign.

The president needs the elections to the State Duma (unlike the elections to the Federation Council). He will not find a better durability test for his possible allies. In this sense, the idea of having two blocs, which are both led by someone who is now loyal to the president, is a sure business. If Chernomyrdin's right-centrists win, the president will appoint them as the presidential party. If Rybkin's left-centrists win, he will make them happy. If both lose, there will be two less contenders to the presidency. Moreover, there is still time to look for new party support, or for a reason to delay the presidential elections.

However, a misfire is also possible. Suppose that Chernomyrdin proves to be right and the electors unanimously give their votes to his indestructible bloc, or to the bloc of Rybkin, appointed as his opponent? Or what if the overwhelming majority of votes (excluding all rivals) will be distributed between these blocs? In this case the premier and the speaker will hardly renounce their claims to the highest chair. Then the idea of delaying the presidential elections may again grip the minds of the existing powers.

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Up to 915,000 Migrants Expected From Former USSR Countries

LD2205162995 Moscow ITAR-TASS in English 1451 GMT 22 May 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] MOSCOW May 22 (Itar-Tass) — From 800,000 to 915,000 people may have migrated to Russia from former union republics in 1995 [as received]. This forecast of Russia's Federal migration service was made during parliamentary hearings in the Federation Council on problems of migrants.

The biggest number of migrants is expected from Ukraine, 170-200,000, and from Kazakhstan, 180-195,000. There may be up to 90 thousand arrivals in Russia from Uzbekistan and up to 75 thousand from Kyrgyzstan.

From 65 to 74,000 people may move to Russia from Baltic countries, including up to 35,000 from Latvia. As many as 55,000 people may move to Russia from Azerbaijan and up to 70,000 from Georgia. The fewest number of migrants may come from Turkmenistan, up to 16,000.

There may be a considerable influx of population from the Northern Caucasus, experts of the migration service believe. However, it is difficult to forecast the exact number of arrivals, mainly because of the events in Chechnya. They roughly estimate the flow from autonomies of the region to other Russian subjects at 200 to 400,000.

Media Issues

Federation Council Fails To Back Duma on TV Privatization

LD2305105095 Moscow ITAR-TASS in English 1027 GMT 23 May 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] Moscow May 23 (ITAR-TASS) — The Federation Council lacked one vote Tuesday to back the State Duma lawbill on suspending the privatisation of the major Russian "Ostankino" TV channel which was carried out on orders of President Boris Yeltsin.

In April the Duma decided to suspend the privatisation and banned the broadcasts of the new semi-private Public Russian Television (ORT) company which replaced it.

The lawbill called "On special order of privatisation of organisations of the state television and radio in the Russian Federation" was passed five days after the ORT began its first broadcasts on April 1.

According to the Duma decision, the ORT could no longer wire its programmes on the first TV channel and budget appropriations to the company, in which the state retained 51 per cent of the stock, had to be stopped.

Late last year Yeltsin had O'Kayed to sell 49 per cent of the stock of the "Ostankino" TV channel to private companies and to transform the channel into the Public Russian Television.

The privatisation of the "Ostankino" caused tensions among the Russian political elite and business circles, who said the job was done in secrecy, and in the TV company proper whose staff said it was against privatisation.

Managing director of the Public Television and famous TV host Vladislav Listyev was killed by contract assassins after occupying the post for one month. Many observers linked the killing to the privatisation of the channel, however the murder has not been yet exposed.

Still the ORT has been wiring its programmes since April 1.

TV's 'Financial Crisis' Could Curtail Airtime of Channel 2

MM2305095395 Moscow IZVESTIYA in Russian 19 May 95 p 9

[Article by Grigoriy Simanovich: "Sharp Reduction in Summer TV Broadcasting Threatens Only Russian Channel Two"]

[FBIS Translated Text] We have already reported the possible solution to the financial crisis that is being considered in view of television companies' large debts to the Ministry of Communications. In the summer millions of TV viewers may lose daytime programs. But only on the second TV channel. According to information from the Russian Public Television leadership, it intends to continue paying in full and punctually for daytime and evening airtime for Channel 1. It is proposed to save money for the fall and winter TV season by cutting daytime broadcasting on Channel 2. Is such a painful measure for TV viewers really necessary and justified?

Here is the commentary of Anatoliy Lysenko, general director of Russian Television:

"You have to understand a simple point: It is not state companies that are in debt to the Ministry of Communications. It is essentially the state itself that owes money. The TV companies are not asking for

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extra appropriations. They want just one thing: The law on the budget to be implemented. The defaults on payments arise from the fact that the appropriations earmarked for television in the budget are not being received in adequate quantities. What would be the result of a shutdown or 10-day 'metered' funding of the channels, which the Finance Ministry is now talking about? It would cause innumerable suits from oblast TV and radio centers against state TV and radio companies in courts of arbitration. The courts of arbitration would be forced to freeze company accounts. They would have to be declared bankrupt. And then anyone who takes the trouble will be able to buy them up at quite a cheap price. Such a simple scheme! Nevertheless, at present we have no intention of cutting airtime. We will hold out as long as we can."

But here is some important news for Muscovites. IZVESTIYA correspondent V. Belikov learned it from A. Popov, director of the "Moscow Cable Television" state enterprise: No reduction in the volume of broadcasting to Moscow is planned this summer. Incidentally, it is this enterprise that exploits the collective TV antennas installed on our roofs by levying a monthly payment of 3,030 rubles. In passing A. Popov explained once again that this is the charge for each subscriber's use of the collective TV antenna alone regardless of how many programs are being received and how many hours of broadcasting there are. People will have to pay in full in any case — or else disconnect and switch to using an indoor antenna, commonly called "whiskers."

Ostankino, MOST-Bank Reach Accord; 'Nota Bene' Show Off Air

MK2305072095 Moscow SEGODNYA in Russian 23 May 95 p 1

[SEGODNYA report: "'Ostankino' Reaches an Amicable Agreement"]

[FBIS Translated Text] An amicable agreement has been reached in the conflict between MOST-Bank, on the one hand, and the "Ostankino" Russian State Television and Radio Company and the Joint-Stock "'Tsentr Television and Radio Company" on the other. The terms of the amicable agreement have been confirmed by the Ostankino District Court of Moscow. A MOST-Bank spokesman has announced that both television companies recognized that the "Nota Bene" broadcast of 3 December 1994, which reported the previous day's action by the Main Protection Directorate against MOST-Bank staffers, had disseminated information that did not correspond with reality and affected the commercial bank's business reputation. In this connection, the television companies promised to apologize and send to MOST-Bank a letter in which they intend, in particular, to state that Marina Nekrasova, the anchor of the 3 December 1994 "Nota Bene" program, broadcast information that did not correspond with reality and affected the reputation of the commercial MOST-Bank and that of [bank director] Vladimir Gusinskiy personally. Besides, "Ostankino" has decided no longer to provide air time for the "Nota Bene" program.

Military & Space Issues

Missile Forces General Confident 'Shield Is Strong'

MM2205160195 Moscow ROSSIYSKIYE VESTI in Russian 20 May 95 p 3

[Interview with Colonel General Nikolay Solovtsov, first deputy commander in chief of the Strategic Missile Forces, by Tamara Semenova; place and date not given: "The Strongest Forces Are the Smallest"]

[FBIS Translated Text] We once proudly described our missiles forces as a "shield" and were confident of its impregnability. Statesmen's current statements about "missile cutbacks," as well as the numerous articles on the subject, are sowing doubts about the reliability of our "missile shield." What state is it in at the moment?

We are joined by Colonel General Nikolay Solovtsov, first deputy commander in chief of the Strategic Missile Forces.

[Semenova] Nikolay Yevgenyevich, can we still rely on our missile forces?

[Solovtsov] Judge for yourself: The Strategic Missile Forces currently account for three-fourths of the megatonnage and two-thirds of the delivery vehicles of all Russia's strategic nuclear forces. Moreover, they are capable of handling around 90 percent of strategic combat tasks independently. I will go further than that: Despite their colossal might, the missile forces are numerically the smallest — they make up less than 10 percent of the personnel of the country's armed forces.

As a professional, I can emphasize that our operational systems still demonstrate the highest combat readiness, while the mobile grouping possesses pretty high survivability. There is nothing in the world to compare with Russia's mobile operational missile systems. Although possessing outstanding operational qualities, our operational missile systems are also the least costly in all periods of their life: development, maintenance, and, as it happens, scrapping.

As for the missile forces' armaments, the Russian strategic missile forces grouping currently includes around 750 launchers, organized into four missile armies. Moreover, some missile units are stationed outside Russia — in Ukraine, Belarus, and the Republic of Kazakhstan.

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The strategic missile forces are armed with several types of ICBM's. Some of them are in silos. Others can be based in silos or on mobile railroad launchers. Some of the missiles are in mobile land launchers. The SS-11, SS-13, and SS-25 missiles are equipped with single warheads. The rest are MIRVed, with four, six, or 10 warheads, depending on the type.

In order to maintain the operational effectiveness of the missile forces and enable them to carry out their tasks the alert-status "Topol" missile system is currently being modernized. It will be the improved "Topol-M" version with a single-warhead missile, mobile- or silo-based, and manufactured entirely at Russian enterprises. So once again I would point out that Russia's missile shield is strong. Despite all the problems, the combat readiness and reliability of our missiles systems is at the proper level.

[Semenova] The missile forces are certainly part of the armed forces elite. Are they suffering as a result of nonpayments and other economic problems or do they have certain privileges?

[Solovtsov] Actually, the Strategic Missile Forces take the best educated section of society and are very strong on specialists with diplomas. Suffice it to say that we do not have officers without higher education at the controls. This ought to mean a solicitous attitude toward the missile forces. But the Strategic Missile Forces get exactly the same as the other categories of the armed forces. As for funding, every year the Strategic Missile Forces are allocated only 5-6 percent of the country's defense budget. But the missile men are aware of the current constraints and, despite the difficulties and problems, have retained rigorous centralized operational command and control of forces and weapons and a smoothly operating system of alert duty. This makes it possible to constantly monitor the technical state of nuclear missiles and safeguard Russia's security.

Lebed, Deputy Zatulin Interviewed on 14th Army Situation

LD2205210695

[FBIS Editorial Report] Moscow Russian Public Television First Channel Network in Russian at 1840 GMT on 22 May broadcasts a 20-minute "Versions" program featuring an interview with Lieutenant General Aleksandr Lebed, commander of Russia's 14th Army in Moldova's Dniester region, and Konstantin Zatulin, a Russian deputy in charge of CIS affairs. Lebed is in Moscow to attend parliamentary hearings on the fate of his army.

Correspondent Sergey Dorenko gives a brief background introduction on the causes of Lebed's visit. Dorenko is shown standing on a tarmac against the background of a plane carrying the Moldova sign. Dorenko says the program is "practically live" without any tape editing. An interview with Lebed by an unidentified correspondent follows.

Asked about the amount of his army's ammunition, Lebed says: "Indeed, it is a lot. Thousands of small arms, hundreds of armored equipment units, hundreds of units of artillery systems, thousands of railway carloads of ammunition." Lebed says that if a war broke out in the region, the destruction could equal approximately "three Chechnyas...and even more."

Speaking about his role in the region, Lebed says: "Depending on who leads the army, it either wins or suffers a defeat. I am tired of serving in the current Russian Army. I do not intend to be a burden in the concerted ranks of General Grachev's army. I am fed up with it."

Speaking about the destructions caused by the war in Chechnya, Lebed says: "I would erect a monument there with a plaque saying the town of Groznyy, founded, if I remember correctly, by General Yermolov and destroyed in 1995 by General Grachev."

Asked about his political ambitions and plans, Lebed says: "I do not intend to discuss these topics now. I am a commander whose army is in a very difficult situation. The army is on the eve of a possible war, and one has to find a way out of this situation. If a war breaks out, one will have to fight. Then there will be no time either for prime ministers or other trifles. It will not matter any more."

The correspondent says that Konstantin Zatulin arrived in Moscow on the same plane as General Lebed. This is followed by Zatulin describing the balance of political forces in the situation around the 14th Army. He says: "It seems that Moscow understands the problem because the army is still deployed in the Dniester region; it has not been withdrawn, in contrast to our units in Germany, East Europe, or the Baltic states. But on the other hand, personal preferences, empathies or antipathies, are winning the upper hand, and I think that one general's jealousy of the other, General Grachev's jealousy of General Lebed has become a well-known fact."

Defense Ministry Begins Forming Mobile Forces

LD2205140695 Moscow INTERFAX in English 1229 GMT 22 May 95

[FBIS Transcribed Text] MOSCOW, May 22 (Interfax) — Russia's Defense Ministry has taken practical measures to implement the presidential decree on the for-

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mation of mobile forces, a high-ranking source in the Defense Ministry told Interfax on Monday.

The Defense Ministry leaders have already drafted a plan for the restructuring of the airborne troops which will constitute the nucleus of the mobile forces.

The same source said that the airborne troops would be strengthened by units of the land forces, so they will have tanks, Uragan launchers, and antiaircraft and artillery systems. The scope of the reform can be judged by the fact that two tank regiments with a total of 200 tanks will be attached to the airborne troops.

The mobile forces will be easily moved by air to any region and transferred to local airfields by military-transportation planes (air-mobile forces).

Some military experts explain the measures to strengthen the airborne troops by the federal troops' unsuccessful performance at the beginning of the Chechen operation. The attachment of tanks and Uragan launchers to the airborne troops which did well during the conflict, is expected to increase the capability of the airborne troops.

According to Interfax sources, the enlargement of the airborne troops with land units is to be completed by the beginning of July. The bulk of the mobile forces is to be created by the end of 1995 and their formation is to be finished by the year 2000.

Russia has six airborne divisions with about 90,000 men. The airborne troops have 85% of the personnel they actually need, and the land forces — 55%.

Admiral Gromov: Northern Fleet Threatened by Underfunding

MM2205142195 Moscow KRASNAYA ZVEZDA in Russian 20 May 95 p 1

[Report by Vladimir Gundarov under the "KRASNAYA ZVEZDA and News Agency Correspondents Report" rubric: "Hole the Size of 1.5 Trillion Rubles"]

[FBIS Translated Text] Severomorsk — According to Admiral Feliks Gromov, commander in chief of the Russian Federation Navy, precisely this sum is the extent of the fleet's shortfall from the state budget. In the Northern Fleet, as in other Russian fleets, this "breach" has to be "patched" only with the professionalism and selflessness of naval seamen.

Summing up the results of combat training in the first half of the year in the Northern Fleet, Adm. Feliks Gromov pointed out that in view of the widening of NATO's sphere of interests in Russia's test ranges (Northern Fleet sailors have recorded the presence of foreign submarines in the fleet's zone of responsibility over 50 times since the beginning of the year) the need to have a strong fleet in the north is not a subject for debate. Without financial and material backup, however, ships could turn into piles of scrap metal.

Continued Financing of Submarine Fleet Urged

MM2205141195 Moscow ROSSIYSKAYA GAZETA in Russian 19 May 95 First Edition pp 1-2

[Article by Sergey Ptichkin: "Typhoon in a Teacup: Undervaluing Naval Strategic Forces Poses Threat of Russia Losing Most Important Priorities, and Not Only Military Ones"]

[FBIS Translated Text] In the United States, the strategic submarine fleet is an object of national pride. Across the ocean, they believe it to be the basis of effective deterrence of any potential threat to the United States.

In our country, opinions on this score are not so unanimous. Indeed, a number of experts claim that in present-day conditions the state cannot afford to maintain the naval strategic nuclear forces, and that moreover our boats are no match for the American ones, so that it makes sense to hold back some of the financing of the submarine fleet and redistribute the budget in favor of more effective ground-based missiles.

So what is the truth of it, do we need a strategic submarine fleet, and what do we stand to lose if we give it up for reasons of economy?

First, let us hear the opinion of Candidate of Military Sciences Vladimir Vasilenko, an expert on the nuclear triad:

[Vasilenko begins; end of Vasilenko remarks is not indicated in text] The negative attitude toward the naval strategic forces is understandable. In the United States the creation of the missile- carrying submarine fleet was always accompanied by a vigorous publicity campaign, and public opinion was molded in such a way that everything relating to nuclear strategic missile-carrying submarines was expressed in superlatives: the best, the most powerful, the most undetectable. In our country for many years the nuclear fleet was shrouded in almost impenetrable secrecy, while with the arrival of the "age of glasnost" it became fashionable to dwell on only the most shocking situations. And so our submarine fleet was saddled with a bad reputation.

Yet it is the naval component of the nuclear triad that is capable of ensuring Russia's real strategic defense. The existence of the strategic submarine fleet gives us the possibility, in the event of the implementation of START II, to retain MIRVed ICBM's capable of overcoming any ABM defense, including the well-known SDI.

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The most important properties of the naval strategic nuclear forces include high mobility — our nuclear submarines are capable of changing their location by 350-500 miles in 24 hours (700-900 km), and their missile weaponry is in a constant state of combat readiness. The time from receiving a signal to launching a missile is a matter of a few minutes.

The undetectability of Russian strategic submarines is fairly high, and claims that they are constantly in the sights of other people's antisubmarine defense forces are totally unfounded. The water environment, especially in the Arctic zone, is not like a transparent aquarium where you can see every little fish. The accumulated experience indicates that it is not always possible to detect nuclear submarines even if they are in close proximity to ships.

Some experts claim that the United States has created a global system of oversight of the submarine situation throughout the world. However, in practice this only provides a degree of monitoring of regions directly adjacent to the territory of the United States, Western Europe, and the British Isles. Full target location of an identified target, which could prove to be a decoy, requires the use of considerable air and naval forces and great financial outlay. Moreover, modern strategic missile-carrying submarines do not necessarily have to get close to anyone's shores — they are capable of striking from practically anywhere in the world's oceans, that is, outside the zone of rigorous antisubmarine monitoring.

Nor should we forget another important characteristic, namely the capacity for retargeting in a very short space of time. Today, the flight plans of all strategic missiles are annulled, they have no specific targets. But naval strategic missiles, unlike ground-based ones, can be targeted in one to two minutes according to any new program. This makes it possible to respond flexibly to a change in the world situation, to change combat operation plans in a limited time, and to respond to any aggressive challenge at a moment's notice.

Naval strategic nuclear forces do not constitute a threat to Russia's own territory, since their activity mainly takes place outside the country and the adversary cannot plan a preemptive nuclear strike against our territory. As far as we know, no program for full-scale antisubmarine warfare envisages nuclear missile strikes against any facilities located inside Russia's territory.

Seamen today are not infrequently accused of being unwilling to take account of the country's grave economic situation and ruining the state's defense budget with their projects. Let us examine, if only approximately, the naval component's economic priorities.

The naval strategic nuclear forces are the smallest in terms of the numbers of personnel servicing them — one person for each average warhead. The cost of delivery of one warhead to the target is one-third lower for sea-launched than for ground-based missiles. Moreover, it so happened historically that the production capacities for ground-based missiles were scattered around the entire territory of the USSR, so that today many of the enterprises are abroad. But the production base for the naval strategic nuclear forces are virtually all (some 95 percent) on the territory of the Russian Federation. So if the naval strategic nuclear forces are assessed as a package from the economic viewpoint, they could prove the most advantageous.

The military scientist's arguments look quite well founded. So why enter into polemics, one may ask? But the paradox is that these polemics are being conducted only in the pages of the press, while in the highest state offices there are, it appears, no doubts as to the importance of naval strategic forces, and in treaties — including START I and START II — the navy retains its priority position. Everything is as it should be, and yet it is not! Our country is living through surprising times....

Having reaffirmed the priority development of the naval component through the year 2005, the state...stopped financing the naval strategic nuclear forces. In papers sealed with the state seal, we are in favor of developing the submarine strategic fleet, but in practice....

You can understand the Defense Ministry — the budget is not made of elastic, it will not stretch to everything. So is there a way out of the impasse? In our view, it makes sense to conduct a radical review of the actual procedure for financing naval strategic forces. The financial burden of maintaining the country's submarine fleet must be lifted from the Defense Ministry and entered in the nationwide budget as a separate, protected item.

Let me try to explain why. Everyone apparently agrees in the view that mankind's immediate future will involve water, the oceans. And the prosperity of the whole of world civilization and of each country individually will depend to a great extent on how intelligent and technically prepared mankind is in its approach to the oceans.

The industrial exploitation of littoral maritime shelves, which is being embarked on worldwide today — in our country too, under the well-known projects of the "Gazprom" Russian Joint-Stock Company — is inconceivable without the development of the submarine fleet. As of today we have unique achievements in submarine building, and these are associated specifically

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with defense potential. The dynamic development of the submarine fleet is therefore of fundamental significance not so much for maintaining the strategic military equilibrium as for maintaining and developing dual-purpose technology. If we lose it we will also lose the opportunity to exploit our own incalculable natural wealth.

If we begin minimal but constant financing of just one naval component today, we will in the near future recover all our outlay by being able to prepare for the large-scale exploitation of the shelf. And the "Rubin" Central Design Bureau, that unique science and production center for submarine building, should be engaged not in designing high-speed trains, but in what fate itself has decreed for it — submarine building in the interests of the Russian state.

But if money is not found for the needs of the nuclear fleet, then the world's best missile-carriers, the "Typhoon" system, will stand forever at their northern wharves in small bays like teacups, transmuted from terrible "sea dragons" into defenseless "sea cows" accessible to every "poacher." It will not even be necessary to sink them — they will sink to the bottom of their own accord when their useful life is over. And even without any world war, we will find ourselves facing the threat of apocalypse....

Moscow Financing Military Conversion Projects in Tatarstan

LD2205162195 Moscow ITAR-TASS World Service in Russian 1939 GMT 21 May 95

[By ITAR-TASS correspondent Nikolay Sorokin]

[FBIS Translated Excerpt] Kazan, 21 May — Moscow is financing 49 conversion projects proposed by industrial enterprises and scientific centers in Tatarstan, in line with an agreement between the governments of Russia and Tatarstan on cooperation in the defense industry, ITAR-TASS was told by Gabdulakh Sabirov, the head of the Department for Conversion at the Republic's State Committee for Economics.

Each project is unique. The Kazan helicopter association has started producing Mi-38 helicopters, which are being used to carry cargo and passengers, and which can serve as flying hospitals. India is buying them, and there are dozens of orders from CIS countries. Zelenodolsk's ship-building plant has started constructing "river-sea" oil tankers, which Russia is in dire need of. Kazan's aviation production association has prepared a building frame for the assembly of the unique Tu-204 passenger plane.

The republic's high scientific and technological capability has been maintained thanks to the timely working out of a complex conversion program. The defense sector has reorganized itself while on its feet, and is starting serial production of competitive and often unique items. [passage omitted]

'Progress M-27' Cargo Spaceship Undocks From 'Mir'

LD2305063595 Moscow ITAR-TASS in English 0629 GMT 23 May 95

[FBIS Transcribed Text] Moscow, May 23 (ITAR-TASS) — The "Progress M-27" cargo spaceship undocked from the orbital station "Mir" at 03:40 Moscow time Tuesday (23.40 GMT Monday).

The craft entered the dense layers of the atmosphere and ceased to exist, according to the mission control centre.

The "Progress-27" docked with the orbital station "Mir" on April 12, delivering foodstuffs, fuel, equipment and oxygen.

The undocking was controlled by cosmonauts Vladimir Dezhurov, Gennadiy Strekalov and U.S. astronaut Norman Thagard from the space station.

The cargo spaceship was to enter the dense layers of the atmosphere at 07.17 [0317 GMT] Moscow time and burn down there. The remnants were to splash down in the Pacific Ocean at a distance of approximately 3,600 kilometers south-east of New Zealand.

The next cargo spaceship "Progress M-28" is scheduled to fly into the orbit in July. It will deliver foodstuffs and equipment to another space crew who will arrive at the "Mir" orbital station on board the "Atlantis" space shuttle to replace the joint Russian-U.S. crew working on the "Mir" now.

Federal Assembly

Council Leaders Welcome Yeltsin Decision on Bill

LD2305103595 Moscow INTERFAX in English 0935 GMT 23 May 95

[FBIS Transcribed Text] Moscow, May 23 (INTERFAX) — The leaders of the Federation Council [FC], the upper house of the Russian parliament, have welcomed President Boris Yeltsin's decision to turn down the law on elections of State Duma members.

FC Deputy Chief Anatoliy Dolgolaptev told INTERFAX on Tuesday that the president acted with consistency and showed respect for the opinion of the Federation Council and his own. Dolgolaptev recalled that the president earlier suggested changing the 50/50 ratio

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of deputies elected in single mandate constituencies and on party tickets to two to one.

Dolgolaptev said that the two houses of the Federal Assembly would have to launch a conciliatory procedure to adopt a new version of the electoral law meeting the interests of all people.

Another FC deputy speaker, Ramazan Abdulatipov, has told IF that the "president has at last abandoned democratic euphoria and descended to sinful Russian soil". He said the president had realized how wrong it was to "impose on society the pseudo-democratic principle of forming the State Duma on party tickets". Abdulatipov said it was tantamount to pressure on the electorate in those regions where there were no party structures.

At the same time Abdulatipov argues that "the very existence of parties cannot be ignored".

Abdulatipov said that 300 to 150 was the "most suitable ratio of deputies".

Duma Differs With Finance Ministry on Report

MK2305104095 Moscow SEGODNYA in Russian 23 May 95 p 2

[Report by Petr Zhuravlev under the "Finances" rubric: "Government Announces Stabilization Is Here, Proceeding From Results of First Quarter. Duma Budget Committee Disagrees"]

[FBIS Translated Text] The State Duma has received a report prepared by the Finance Ministry and the Treasury on implementing the federal budget in the first quarter of the year. During the period under review, the government "consistently followed a tough course aimed at cutting down on the use of inflationary sources" in covering the deficit, which as a result "was less than half of the one expected." On the whole, the Finance Ministry notes that the state of the economy is being "gradually stabilized."

For the first time in recent years, the report goes on to say that the quarter's budget, in its revenue part, has been fulfilled by 103.3 percent through increased receipts from centralized export and the sales of precious metals and stones. At the same time, tax receipts totaled 88.6 percent. Central Bank income paid toward the budget also was less than projected, for which reason the resources channeled to fund expenditures "could have been bigger." The expenditure portion was implemented by 82 percent. The Finance Ministry, nevertheless, emphasizes that the "actual level of funding considerably exceeded the first quarter level of 1994."

In beginning to discuss the report yesterday, the Duma budget committee radically disagrees with the government. The draft of its resolution states that "the conclusion of a gradual stabilization is premature." The deputies think that the fact that the revenue exceeds the projected figure "is a consequence of purely counting operations." The growth of the nominal size of revenues was caused by the payment of unplanned receipts from the sales of gold currency reserves and additional profits from foreign economic activities connected with a faster than expected plunge of the ruble rate. The failure to fund spending fully given the higher than planned revenues indicates that "the government failed to line up sources to cover the deficit by 64 percent" and that it "so far is failing to cope" with the noninflationary forms of such covering.

In addition, the budget committee is paying attention to the fact that the implementation of the expenditure part is characterized by serious disproportions — state investments and defense orders were previously funded on a residual principle (50 and 41 percent respectively) whereas the expenditures of the agro-industrial complex were funded by 201 percent, those of international activities by 94 percent, and those of law and order activities by 91 percent.

In accordance with the draft resolution, the committee intends to recommend that the Duma demand the government to take "urgent measures to receive profits from foreign trade by canceling preferences and deferments on the payment of duties," to cover the deficit from noninflationary sources and, of course, eliminate disproportions in funding expenditures.

State Duma Ratifies Eurasian Patent Convention

LD1905202295 Moscow ITAR-TASS in English 1944 GMT 19 May 95

[By Ivan Novikov]

[FBIS Transcribed Text] Moscow, May 19 (ITAR-TASS) — The lower chamber of the Russian parliament has ratified the Eurasian patent convention on Friday which was signed on 9 September 1994, in Moscow by heads of government of ten CIS member states, including Russia.

The federal law on ratification adopted by the chamber contains a provision according to which this legislative act is to be channeled for approval of the Federation Council.

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Duma Fails To Pass Referendum Law on 2d Reading

LD1905140595 Moscow ITAR-TASS in English 1334 GMT 19 May 95

[By Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow May 19 (ITAR-TASS) — The draft federal constitutional law "On Referendum in the Russian Federation" was not passed by the State Duma in the second reading on Friday.

Under the constitution, the draft law needs endorsement by no less than 300 votes to be passed. However, the results of the voting on amendments to the document which the Duma committee for legislation and legal reform suggests to be rejected showed that the draft law will not earn the required number of votes today.

Speaker of the State Duma Ivan Rybkin said that the draft law is being returned to the committee on legislation to be prepared for the second reading again. The new coordinated wording of the document should be drafted in such a way as to suit at least 300 deputies, the speaker said. Parliamentarians pointed to the need to fix the deadline for referring the draft law for the discussion in the second reading, but Rybkin said that everything hinges on the duration of time to be spent by members of the committee on legislation for drafting the new wording of the document.

Duma Seeks More Power in Tax, Currency Rules

MK2005092095 Moscow KOMMERSANT-DAILY in Russian 20 May 95 p 3

[Report by Boris Boyko under "State Duma Plenary Session" rubric: "The Duma Is Drawn to Currency Regulation and Tariff Exemptions"]

[FBIS Translated Text] State Duma deputies have again turned their attention to bills in the sphere of currency and foreign trade regulation. The results of their consideration yesterday were not just unexpected: An important precedent was created. Contrary to counteraction by the government and the Duma Budget and Finances Committee, three entire bills were adopted after the first reading by a majority of votes which introduce changes into the laws "On Currency Regulation and Currency Control," "On the Customs Tariff," and individual tax laws. Their common denominator is either the direct granting of tariffs or customs exemptions or the creation of prerequisites for the Duma to pursue its own economic policy, distinct from the course conducted by the president and the government.

The Duma Prepares To Correct the President's Currency and Tariffs Policy

The gist of the changes being introduced into the law "On Currency Regulation and Currency Control" is simple: The order for the obligatory sale by residents of incoming foreign currency on the internal market should be established not only by presidential edicts, but also by federal laws, that is, by both the executive and legislative branch. In the government's opinion, granting this right simultaneously to two branches of power, first, contradicts the principle of the division of powers formalized by the Constitution. Second, the adoption of the bill would allow the powerful sectoral lobbies in the State Duma to grant exemptions on the sale of some hard currency receipts for enterprises in their respective sectors. All this will stimulate enterprises to seek individual exemptions instead of developing their own production. According to KOMMERSANT-DAILY's sources, Central Bank officials responsible for currency control support the government's point of view.

Meanwhile, the Duma is also preparing its first surprise for the president. The draft changes in the law "On Certain Matters of Granting Exemptions to Participants in Foreign Economic Activity," which was adopted in March, shows the deputies' susceptibility to lobbyists' pressures: Whereas only recently the Duma was competing with the president in establishing tariff exemptions, it is now ready to soften its position. The president has repealed tariff exemptions as of 15 May, but the Duma is going to extend them until 15 September. Yesterday the deputies did not get around to voting on this law, but they will obviously not abandon their intentions.

Mikhail Poltoranin Has Taken Care of Mass Media

The changes introduced into individual tax laws on the initiative of the Information Policy and Communications Committee envision the exemption of enterprises and organizations operating in the sphere of production and distribution of mass media output from most tax payments, in particular, from the value-added tax and the profit tax insofar as it refers to that part of the profit that is directed to finance production capital inputs and also payments from the profits remitted to the federal budget.

According to the Duma Budget Committee, this places the production and distribution of mass media material in an exceptional position among other sectors, making them a kind of "free economic zone." Furthermore, the exemption of printing services from the value-added tax creates a unique mechanism for a full avoidance of the payment of the value-added tax in all forms of activity because any contract between any two

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enterprises may be accompanied by a parallel contract on the provision of such services for the required sum — and therefore the entire sum in excess of prime costs will be exempted from the value-added tax. The exemption of mass media, publishing houses, news and information agencies, television and radio broadcasting companies, enterprises distributing periodical printed publications, and technical transmitting centers from the payment of the profit tax to the federal budget will, first of all, lead to a situation in which the mass media themselves will engage in commercial activity; second, in order to evade taxes, all major importing firms will register their own "news agencies" or "publishing houses," which will conclude contracts on the provision of "printing services" and on "the production and distribution of mass media products."

The government, which also opposed the proposed exemptions, noted that the assessment of the value-added tax does not affect the performance of enterprises because under the law on the value-added tax, the sum of the tax subject to be paid to the budget is defined as the difference between the tax sums received from the buyers for the products sold to them and the tax sums paid for material production-purpose resources. If the paid-in sums of the tax exceed those received, the difference is subject to be refunded from the budget by tax bodies.

The bill on introducing additions to the law "On Customs Tariffs" envisions the exemption of periodical print publications exported by the editorial offices of mass media organizations from customs duties. It is noteworthy that the State Duma considered this draft in violation of the permanent rules. Because the bill envisions exemption from the payment of a federal tax, the government was to have given its conclusion. Its absence, however, did not stop the deputies.

Duma Aide Questions Funding of Bloc's Convention

MM2305093195 Moscow SOVETSKAYA ROSSIYA in Russian 20 May 95 p 2

[Letter from State Duma Security Committee Chairman V.I. Ilyukhin to V.S. Uzbekov, Russian Federation first deputy general prosecutor; date not given: "Let's Start With an Audit"]

[FBIS Translated Text] Esteemed Vildan Suleymanovich!

In accordance with the instruction of the plenary session of the State Duma of the Russian Federation Federal Assembly, I request that you carry out a general audit of the sources of funding for all forms of expenditure associated with the holding in Moscow on 12 May this year of the constituent congress of the "Russia Is Our Home" election bloc, in whose work 900 people took part: members of the Russian Federation Cabinet of Ministers, Federal Assembly deputies, delegates from 76 Russian regions, and leaders of the country's republics, krays, oblasts, and largest industrial enterprises.

As V.S. Chernomyrdin stated, the expenditure on holding the said congress was funded by the country's major enterprises. However, according to information that is still subject to verification, only the "Gazprom" joint-stock company transferred 4 billion rubles [R] to hold this congress. According to other information, which also requires verification, Kemerovo Oblast "spent" up to R1 billion on the election campaign of V.S. Chernomyrdin's bloc.

The mass media have already raised the question of the criminal nature of the funds spent on holding such a costly event. If the enterprises that contributed funds to stage it are state enterprises, this is an abuse of an official position and a criminally punishable waste of state monetary funds. If this was done by private commercial structures, scandalous corruption is taking place.

Subsequently, I request that the audit encompass an expenditure on the following items associated with preparing for and holding the congress: invitation telegrams to delegates, including government telegrams; production and distribution of draft documents that should have been compiled at the local level; the delegates' travel to and from Moscow, their transportation around Moscow, and their expenses and hotel accommodations; the delegates' local telephone calls; free refreshments for the delegates and congress guests; reserve of premises for the congress in the Cinema Center and for sessions of the organizing committee at a state dacha in Volynskiy; audio and video recordings and a stenographic record of the congress proceedings and the printing and reproduction of draft and already adopted congress documents; and publicity for the congress on television and radio and in other mass media.

Available information indicates that all the organizational work to produce and distribute draft documents that should have been adopted at local level and to notify congress delegates of their trip to Moscow was carried out by A.P. Kozlov, chief of the Russian Federation Government Department for Ties With Regions.

I request that you inform the State Duma of the Russian Federation Federal Assembly of any transgressions revealed as a result of the audit and their respective measures.

V.I. Ilyukhin, chairman of the State Duma Security Committee

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Draft Law on Use of 'Vybory' System Reported

MK2005121095 Moscow SEGODNYA in Russian 20 May 95 p 2

[Report by Gleb Cherkasov under the "Lawmaking" rubric: "Proposal for 'Vybory' System To Be Named 'National Property'"]

[FBIS Translated Text] The Duma information policy committee has prepared a draft law on the use of the "Vybory" [Elections] state-owned automated communications system. Yuliy Nisnevich ("Russia's Choice"), chairman of the communications and computer technology subcommittee, says the draft law declares the "Vybory" system to be a "state information resource and national property" in which its utilization in accordance with the information law already passed is permitted only upon the drafting and passing of a corresponding legislative act.

Nisnevich also says that the "Vybory" system can be regarded as "national property" only because it contains a list of all citizens of Russia. The deputy voiced regret in connection with the fact that the Duma legislation committee turned down this draft law.

Council Demands Role in State Property Management

MK2305074095 Moscow KOMMERSANT-DAILY in Russian 23 May 95 p 3

[Report by Natalya Samoylova under the "Federation Council Hearings" rubric: "Authorities Admit That They Have Done a Bad Job of Managing State Property"]

[FBIS Translated Text] The subject of hearings held at the Federation Council yesterday — "On the Efficiency of the Management of State Property" — enabled the legislators to try yet another time to find an answer to the question of who should manage and dispose of state property, and how. State Property Committee [SPC] Chairman Sergey Belyayev admitted that until now, during the transition period, the government has been unable to ensure an efficient management of state property and promised that this shortcoming would be corrected. The concept of managing state property proposed by the committee chairman, however, did not diminish the audience's skepticism.

The most remarkable event of the hearings was a report by SPC Chairman Sergey Belyayev. His presentation dealt with the enumeration of reasons for which the state has been unable to efficiently manage its property. In addition, Sergey Belyayev told the audience in detail about the government's proposals aimed at drastically improving the situation.

The entire government concept was based on an accepted thesis: State property is being used inefficiently, and the state has been unable to become an efficient owner under the new conditions of a market economy. According to Belyayev, one reason is a low level of management prowess — both in enterprises and corporations and in sectors as a whole. As follows from the report distributed by the SPC, the government has drawn these conclusions by analyzing the results of audits focusing on payment discipline in a number of industrial sectors (the audits have been made by an interdepartmental commission set up for this particular purpose). At the same time, judging from Belyayev's presentation and his committee's report, the SPC is not going to be blamed alone for the inefficient management of state property. A considerable part of the blame was shifted onto the sectoral ministries that "have been inadequately using their capabilities to manage enterprises, of which, as a matter of fact, the SPC itself is devoid."

Sergey Belyayev said that the first steps to raise the efficiency of managing state property had already been made. In particular, a special structural unit was set up within the SPC — an administration on federal property and the management of state-owned blocs of shares. Under its aegis, work to draw up a state program of property management has been started. Moreover, Belyayev announced that preliminary work to set up a federal fund of enterprise support has been completed. The fund's objective is to finance restructuring programs at state-run enterprises that are threatened by bankruptcy.

The defense tactics Sergey Belyayev had initially adopted soon exhausted themselves, and the SPC chairman went on the offensive. He blamed the lawmakers for the existence of a "loose legislative framework" and interference in affairs of the executive authority (he meant draft laws on the procedures for disposing state property and privatizing state television and radio).

Sergey Burkov, chairman of the State Duma privatization committee, responded by defending the right of legislators to have a role in devising the fundamentals of the government policy on managing and disposing of state property. The deputy pointed out that according to existing legislation — the Russian Constitution and the first part of the Civil Code — state property is owned by the state as a whole, represented by both branches of power. For this reason, the government, let alone the SPC, does not have any special authority regarding the disposal of state property.

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Duma Law Increases Child Support Benefits

MK2005075095 Moscow SEGODNYA in Russian 20 May 95 p 2

[Report by Natalya Olenich under the "Care" rubric: "Duma Populism Develops Glitches. Benefits for Children Are Raised After All"]

[FBIS Translated Text] The deputies, who set the government 500 trillion rubles [R] back by passing a law on restoring the value and protection of citizens' savings, have temporarily lost some of their populist ardor. On 17 May the State Duma turned down the proposal by Federation Council Deputy Yelena Mizulina on increasing the minimum pension by 3.5 times for retirees who worked for enterprises "with special work conditions." Yesterday, the Duma took two votes before passing the law "On the Russian Federation Social Insurance Fund Budget" in third voting. The deputies were stumped by an amendment made between second and third voting on the distribution of an additional revenue of R3 trillion. Part of the sum, as suggested by the budget committee and agreed on by the committee on labor and social support, is intended to double benefits for caring for children under 18 months and triple the benefit due for the birth of a child. According to the law, the benefit for children under 18 months is set at two minimum [monthly] wages, and the lump sum on the birth of a child is 15 minimum wages. Only after budget committee member Oksana Dmitriyeva made additional clarifications and labor committee member Aleksandr Osovtsov, who said that "rejecting higher benefits for pregnancy and the birth of a child is simply ridiculous," put them to shame, did deputies agree with the amendment made and pass the law by 344 votes.

Regional Affairs

Chechnya Fighting Continues To Block Search for Cuny

LD2305102295 Moscow ITAR-TASS in English 1009 GMT 23 May 95

[By Ruslan Maisigov]

[FBIS Transcribed Text] Nazran May 23 (ITAR-TASS) — It will be possible to identify the body feared to be that of missing American Fred Cuny only by the weekend as intensive combat activities in southern Chechnya do not allow to evacuate the body to Ingushetia, informed Russian sources in the Ingushi capital of Nazran told TASS Tuesday.

Cuny, a relief worker from the U.S. Soros foundation, disappeared in Chechnya together with accompanying Russians on April 9. The body feared to be that of Cuny was found in the Chechen settlement of Geldagen and was brought to the village of Shatoy.

Russian Security service officials denied claims it was Cuny's body and a Chechen woman who knew Cuny in person also said it was not his body.

OSCE envoys made two attempts to reach southern Chechen foothills to get the body for identification, but failed because of heavy fighting there.

Dudayev Rejects Peace Talks With 'Puppets'

LD2205195595 Moscow INTERFAX in English 1816 GMT 22 May 95

[FBIS Transcribed Text] MOSCOW, May 22 (Interfax) — Dzhokhar Dudayev will never take part in talks either with Umar Avturkhanov or with Salambek Khadzhiyev, Dudayev's personal representative in Russia Khamad Kurbanov told Interfax in an interview today.

He said the allegations of the media about such talks were "another canard."

Earlier today, some media quoted Director of the Federal Executive Power Territorial Department in Chechnya Nikolay Semenov and the OSCE mission in Groznyy as saying that Dudayev had agreed to participate in the talks.

Kurbanov said Chechnya regarded representatives of the present "so-called Chechen leadership" as "puppets" who had come to power and remain in office only due to Russian troops.

"Never will such talks take place," Kurbanov said.

Russian Withdrawal 'Precondition' for Talks

LD2205195995 Moscow INTERFAX in English 1816 GMT 22 May 95

[FBIS Transcribed Text] ARSHTY (CHECHNYA), May 22 (Interfax) — Chechnya is going to insist on withdrawal of federal troops from Chechnya as a necessary precondition for talks, a representative of the Chechen Formations Main Headquarters told Interfax today.

He said neither representatives of Dzhokhar Dudayev nor Dudayev himself would participate in the talks announced by Director of the Federal Executive Power Territorial Department in Chechnya Nikolay Semyonov today.

Moscow said that the talks in Groznyy planned for May 25 were expected to involve representatives of the federal authorities as well as Umar Avturkhanov and Dzhokhar Dudayev.

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"We have to insist on withdrawal of Russian troops from Chechnya as a precondition (for talks) because of enlargement of the zone of military actions and a large number of victims among Chechen civilians," said the representative of the Chechen Formations Main Headquarters.

Dudayev Welcomes Kremlin Peace Initiative

MM2205202695 Moscow ROSSIYSKAYA GAZETA in Russian 23 May 95 First Edition p 1

[ITAR-TASS report under the general heading: "Peace Efforts"]

[FBIS Translated Text] The "leadership" of the Chechen Republic welcomes the Kremlin's new initiative aimed at seeking a peaceful solution of the Chechen conflict.

In turn, it is prepared to take the necessary reciprocal steps, a well-informed source from Dzhokhar Dudayev's entourage told an ITAR-TASS correspondent. He had contacted the agency's Groznyy correspondents' center after the 20 May television announcement that Russian Federation President Boris Yeltsin had instructed the Russian government head to continue the quest for a peaceful settlement of the Chechen crisis.

Dudayev, 'Associates' Discuss Peace Terms

LD2305103495 Moscow INTERFAX in English 0935 GMT 23 May 95

[FBIS Transcribed Text] Arshtiy (Chechnya), May 23 (INTERFAX) — Dzhokhar Dudayev and his nearest associates held a conference in the southern mountain regions of Chechnya on Monday. A source close to Dudayev told Interfax that the discussion concentrated on the possibility and terms of the talks on the peaceful settlement of the Chechen conflict.

The Chechen side is likely to propose a plan which was generally supported by the participants in the discussion, the source said.

According to Interfax sources, this plan includes such terms as "immediate cease-fire under the control of international observers, the unconditional withdrawal of the federal troops from Chechen territory, measures to broaden the security zones, the storing of heavy weapons under international control, the return of the refugees, and presidential and parliamentary elections."

In addition to this, Dudayev and his team insist that the talks be held in the absence of leader of the National Accord Committee Umar Avturkhanov which Dudayev and his people consider to be a puppet committee.

Update on Battlefield Situation in Chechnya

Correspondent Reports Chemical Weapons Deaths

LD2205195095 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1855 GMT 22 May 95

[FBIS Translated Text] "I did not see chemical bombs but witnessed the use of another kind of chemical weapon," ITAR-TASS correspondent Nadezhda Chaykova said live on Ekho Moskvy radio on her return from a duty tour to Chechnya.

N. Chaykova said that small transparent ampules containing a green liquid are scattered in the woods 15 km from Gudermes: "When you pick them up in your hand, they blow up from the warmth or the pressure, spraying something like acid. A person dies if only a small amount touches the skin."

She has seen two people die in this way, Nadezhda Chaykova emphasized.

In addition, small bright objects similar to children's toys which also explode in your hand from the change in temperature are scattered in the wooded areas near the villages of Bachi-Yurt and Alleroy, N. Chaykova said. N. Chaykova thinks that these are not chemical weapons but conventional explosive devices with a range of one to two meters.

Fighting Reportedly Spreads to Dagestan

LD2305103995 Moscow INTERFAX in English 0935 GMT 23 May 95

[FBIS Transcribed Text] ARSHTY (Chechnya), May 23 (Interfax) — Hostilities in Chechnya have reportedly spilled over to neighboring Dagestan, a source at the headquarters of Chechen armed formations said on Tuesday. Fighting is said to be underway near the communities of Akhar and Tukhchar, 7-8 kilometers from the administrative border between Chechnya and Dagestan.

Chechen armed formations claim that several dozen Russian servicemen have been destroyed in the area of Tukhchar.

An official Russian Defense Ministry spokesman in an interview with Interfax neither confirmed nor denied this information. He said "no report on the situation in that region has arrived yet."

Meanwhile, at the local police station in Khasavurt, Dagestan, Interfax was told that the rumors about combat operations on the territory of Dagestan were groundless. Police station chief Rashid Isayev said "Chechen militants have repeatedly opened fire on

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border communities in Dagestan, however, they have avoided penetrating into the republic."

On the other hand, according to the Chechen formations' headquarters, Russian aircraft delivered massive rocket and bombing attacks against the positions of Chechen militants in eastern, southern and western areas of Chechnya.

Federal troops on Tuesday morning continued shelling the high-altitude village of Bamut, controlled by Chechen militants.

Interfax's correspondent reports from the village of Arshty, located close to Bamut, that shelling has almost destroyed Bamut's residential district.

Chairman on Work of Nizhniy Novgorod Duma

954F2287B Nizhniy Novgorod NIZHEGORODSKIY RABOCHIY in Russian 19 Apr 95 p 5

[Interview with Ivan Karnilin, Nizhniy Novgorod city Duma chairman, by unidentified correspondent; place and date not given: "One Year Later"]

[FBIS Translated Text] On 27 March 1994, elections were held in our city to a new organ of representational power of local self-government—the City Duma. Instead of 34 deputies, only 25 were elected at this time. But this number was sufficient for the City Duma to begin its work on 4 April. On 27 November, repeat elections were held and the Duma gained another nine deputies.

One year has passed. How has the representational organ of power manifested itself? What plans and concepts have deputies managed to implement? These questions are addressed by city Duma Chairman Ivan Karnilin.

[Karnilin] Over its one year of operation, the Duma has conducted eight sessions, examining 69 issues dealing with the most pressing problems of the city's vital activity. Occupying a special place among these issues are matters concerning the results of the city's socioeconomic development in 1993 and the plan for development and maintenance of the city economy in 1994, development of the city, and questions of budgetary, financial, and tax policy. The Duma examined critical issues involving the state of affairs in departmental preschool children's institutions, procedure for elimination of decrepit housing assets, the state of general-education high schools and prospects for their development, protection of social order, and the state of consumer services provided to the populace. Each of these issues is directly related to the needs and interests of Nizhniy Novgorod citizens. I must state quite frankly that it will not be an easy task to resolve them under today's economic conditions. However, standing commissions of the Duma—and there are five of these—have attentively and scrupulously studied the state of affairs, met repeatedly with the electorate, consulted with specialists, and elaborated the optimal decisions in consideration of budgetary capabilities.

I have cited just a few of the problems that have been presented for Duma consideration. But there are a great many more, some of which are distant and long-term in nature, requiring a well-conceived normative base. Deputies in the standing commissions are working on this as well.

[NIZHEGORODSKIY RABOCHIY] Who determines the priority and sequence of examination of one issue or another?

[Karnilin] I can answer that in two words—real life. Our deputies are constantly meeting with the voters. A great many letters are addressed to the Duma in which, in addition to personal requests and statements, topical issues are raised concerning improvements in trade and consumer services, housing and municipal services, public services and utilities. This channel of communication with the populace is vitally important. It enables us to illuminate priority areas requiring immediate resolution.

Turning into another important channel of communication between the Duma and the people are the committees of community self-government. In addition, the city Duma sees in the territorial organs of self-government a powerful stimulus for the development of popular initiative, a means of exerting influence on the life of the microrayon. The city Duma has made significant moves in this direction, adopting the Statute on Territorial Local Self- Government, conducting a scholarly and practical-application conference, determining the financing for these social formations, and selecting people with initiative who are concerned about the fate of the city.

[NIZHEGORODSKIY RABOCHIY] Ivan Nikolayevich, what is the chief headache of the city Duma chairman?

[Karnilin] Social issues, of course. In the present economic situation, when heretofore unheard of words such as "unemployment" and "poverty" have become real, perceptible aspects of life, they cause headache and heartache as well. Under such conditions, deputies are striving to do everything in their power to ease the burden of the poorly protected segments of the populace. But they do not always succeed. And this too is extremely painful. Last year, for example, the Duma approved the city budget at upper deficit limit, and at

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the same time adopted a listing of protected line items—subject to full financing. This is mainly wages, stipends, state allowances, and other state compensation benefits to the populace. It also includes medicines, dressing, and bandages.

We had quite a number of problems last year. Production decline continues; consequently, tax revenues to the budget are diminishing. This is forcing us to hash out and rehash the budget so that the city economy can function normally. We determined the following priorities: uninterrupted operation of the public service sectors of the city's life sustenance, assistance targeted to the socially unprotected segments of the populace, and uninterrupted functioning of the health care and public education systems. In this regard, we are trying not to forget about the construction of housing and sociocultural facilities, and the implementation of plans to rebuild dilapidated housing assets.

Another problem of no small significance is the transition to a new system of payment for housing and municipal services, in order to enhance the level of provision of housing and other public services to the populace. The city Duma has tried to apply a well- considered approach to implementation of the government decree, determining for the first half of the current year an upper payment limit for municipal services not of 40 percent, but rather 30 percent, determining the fees for technical servicing of housing assets with deterioration of 60 percent or more—on the level of 30 percent of the fees for housing with all the modern conveniences, and establishing the maximum percentage of family housing costs within the limits of the social norm on the 8 percent level. In addition, the city budget contains a line item for the payment of housing subsidies, intended to support needy segments of the populace.

Another important step in this direction has been social allowances for families where there are invalid children or parents. This allowance was introduced effective 1 January, and is equivalent in total to one minimum wage per child-invalid or per child in the family of a single parent-invalid.

[NIZHEGORODSKIY RABOCHIY] Ivan Nikolayevich, over the course of the election campaign certain deputies "won points" for themselves by promising (in some cases with no foundation) to eliminate our dilapidated housing assets in no time. What is the Duma doing in this regard? What has already been done?

[Karnilin] Dilapidated housing is in fact one of the most serious problems the city faces. You can judge for yourself—6,740 families are living in dilapidated housing, in a city where there are more than 1,100 dilapidated residential buildings. It is impossible to eliminate this problem "in no time," as you say. Nonetheless, the city Duma is purposefully and thoughtfully seeking ways of resolving it. In 1994, by the time we celebrated our City Day, 133 families were moved out of dilapidated housing and into well-furnished apartments. Today everyone realizes that nontraditional approaches are required. In particular, the need has been discussed at Duma sessions to effect a gradual transition from direct state and municipal capital investments in housing construction—to singleminded state and municipal support for people who desire to construct housing facilities, through a system of subsidies, credits, and taxation.

In accordance with the state special-purpose program "Housing," the city Duma adopted a decree providing for the following: resettlement in the city, prior to the year 2000, of 6,740 families from 1,115 dilapidated buildings, including 600 such families in 1995; the allocation to this end of special-purpose funds in the amount of 4 percent of the total outlays portion of the budget, but not less than 40 billion rubles.

Without any doubt, we would like to do more. But we must view the facts realistically, and refrain from engaging in cheap populism in a desire to please the voters. We must live as our means allow, as the saying goes.

[NIZHEGORODSKIY RABOCHIY] It would be impossible to discuss everything that has been done by the Duma in one year. Tell us something about what will be done in the near future.

[Karnilin] First of all—and this is very important, in my view—the city budget will be adopted at the Duma's final session. This has been quite a complicated task. At the same time, however, deputies have again shown a preference for those sectors that define the vital activity of the city, matters of social protection of the populace, and issues in the budget sphere. It is important to note that deputies have expressed their support for the need to seek new forms of attracting funds to the budget. Nontraditional ways of solving this problem have been proposed. Our standing committees have to work on this together with departments of the city administration.

Another important task is preparation for the 50th Victory Day celebrations. We are striving to do our utmost to see to it that veterans of the war and those who labored in the rear, the people who brought our glorious Day of Victory near by their labor, will once again sense a concern for themselves and feel the gratitude of generations that have lived under peaceful skies for 50 years. Of course it is painful and regrettable that we cannot give them everything they deserve. They have merited a great deal—but care and concern are

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not economic categories, and we are capable of doing a great deal in these areas.

Youth Crime on Rise in Nizhniy Novgorod

954F2287A Nizhniy Novgorod NIZHEGORODSKIY RABOCHIY in Russian 21 Apr 95 p 6

[Article by V. Moiseyev, procurator of Nizhegorodskiy Rayon in Nizhniy Novgorod: "'No Order, No Discipline—Show Me What Is in Your Pocket!'"]

[FBIS Translated Text] Since 1993, in accordance with the edict of the Russian Federation president and with participation by the General Procuracy, Ministry of Internal Affairs, and other law enforcement organs, a draft law on the state system of safeguards to prevent the neglect of juveniles, prevent transgressions of the law by minors, and protect juvenile rights has been in the process of formulation, as has the federal program of safeguards against child neglect and the prevention of transgressions of the law by young people. Unfortunately, this effort is even today far from completion, and actuality dictates to us the need to intensify measures in the fight against crime under new economic conditions, since the situation regarding crime among teenagers is becoming increasingly alarming with every passing day.

The number of crimes committed by adults in Nizhniy Novogorod's Nizhegorodskiy Rayon decreased by 1.4 percent, while the number committed by youthful offenders rose 55.5 percent.

The greatest alarm is caused by the growth not just in total number of crimes, but in serious crimes as well, such as theft and robbery. There has been an increase in organized crime and in group crimes, including those committed jointly with minors (over 30 percent).

Some 85 percent of the crimes committed by juveniles are mercenary in nature. The negative trend continues to persist in increased incidence of embezzlement of others' assets. Whereas the rate of growth of this type of crime in general throughout the rayon has decreased, it has increased sharply among youthful offenders.

The school has become the main supplier of juvenile criminals. The Law on Education essentially establishes a system favorable to excluding children from educational institutions. Consent on the part of juvenile affairs commissions is not required today, as used to be the case.

Striving to have only "model" children, schools are throwing out onto the street all who do not fall within the "model" category. In 1993-1994, 75 pupils were expelled from schools in Nizhegorodskiy Rayon, including 63 who were transferred to schools for working youth. Procuracy inspections and criminal case materials show that in fact these juveniles quit day school and enroll formally at schools for working youth, but most of them do not work anywhere. A few complete one-time assignments at commercial structures, but many of them choose a life of pilfering, theft, and robbery. The crime rate among schoolchildren has risen 28 percent. About half of the crimes committed by young people are attributable to those who are neither in school nor working.

The number of working juveniles who committed crimes dropped by 44 percent in 1994, while the number of nonworking youth increased by 71 percent.

One of the main reasons for this situation is the economic state of the country and the growth of unemployment. Today the system for job placement of minors is in fact completely destroyed. We used to reserve job positions for them on a mandatory basis. Today the Russian Federation Law on Population Employment leaves the question of quotas for minors to the discretion of local organs. Agreements were concluded by the Nizhegorodskiy Rayon administration with respect to job reservations for minors. In accordance with these agreements, enterprises allocated 2,791 positions for juveniles, but only 1,442 minors were actually placed. It is virtually impossible to resolve the question of reserving job positions in commercial structures. In addition, no preventive efforts are being conducted there at all.

Especially complicated is the situation involving job placement for young people released from confinement facilities and put on probation with a suspended sentence. The process of job placement often takes months. This has led to a situation where youth today comprise the bulk of the army of unemployed.

Another very important reason is the virtual absence of prevention measures with regard to juvenile crime. In essence, they are thrown to the will of fate.

Commissions on juvenile affairs in rayon administrations, entrusted with coordinative functions and the exercise of state control in youth protection, have significantly reduced their efforts in the legal aspect. The preventive potential of juvenile affairs inspectorates has also been sharply curtailed. These units are not even mentioned in the Law on the Police, and their functions are severely restricted—this at a time when crime is reaching its zenith.

Elements of organization in the antisocial actions of juveniles are observable at the very youngest ages. Checks and inspections conducted at gas stations by the procuracy and juvenile affairs inspectorates have shown that children who fill up gas tanks or wash vehicles are

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under the control of adults who assign not only the role each plays, but the earnings they receive as well.

Another reason for the increase in violations of the law committed by minors is the virtual absence of interesting leisure activity and places for them to go. They are forced to gather in groups and pass the time in entranceways and alleyways, disturbing the peace and quiet of local residents, and most importantly—forming criminal groups. Whereas in past years, in addition to state-sponsored clubs there were public club facilities for leisure activity, today these have disappeared entirely, as a rule. The main place in Nizhegorodskiy Rayon where juveniles spend their leisure time is the Onyx educational center, which unites 10 clubs. It is mainly well-off children who come here, however. Club programs and activity are designed for schoolchildren ages seven to 11. "Difficult" children do not frequent the clubs. In addition, in order to support their financial state, clubs lease a portion of their premises to commercial structures.

A similar situation is seen with respect to the unhealthy influence exerted on needy families by a procurator who applies the most extreme civil-legal measure—deprivation of parental rights. It is fundamentally improper to transform an extreme measure of influence into a system.

The prospects with regard to preventive work with juveniles look bleak. There is no time. Urgent measures are required to check the growth of crime. If we do not accomplish them, it will only be a short while until the crime situation we have today looks good compared to what collapses down upon us.

Tatar President Will Not Join 'Russia Is Our Home'

LD2305104195 Moscow INTERFAX in English 0935 GMT 23 May 95

[FBIS Transcribed Text] KAZAN, May 23 (Interfax) — Although President of Tatarstan Mintimer Shaymiyev has no plans to join the Our Home Is Russia movement, led by Russia's Prime Minister Viktor Chernomyrdin, he fully supports it.

Shaymiyev told Interfax on Tuesday that in accordance with the laws of Tatarstan, the president of Tatarstan cannot be a member of a party or movement. He also said that this movement had set up a branch in Tatarstan and that Tatarstan's Prime Minister Farid Mukhametshin was among its members.

Shaymiyev expressed confidence that the Russian government, following this movement's victory in the elections "will have the opportunity to carry out reforms on behalf of the people."

Samara Governor on Pace of Economic Reform

954F2299A Moscow KOMSOMOLSKAYA PRAVDA (DELOVOY VTORNIK Supplement) in Russian 16 May 95 p 2

[Interview with Konstantin Titov, governor of Samara Oblast, by Valeriy Lebedev in Samara; date not given: "Only the Semblance of Reforms Remains in Russia"]

[FBIS Translated Text] [Lebedev] You are at the helm of one of the richest provinces of Russia for the fifth year. You are known as an outstanding supporter of reforms. Could you provide a definition of the process for which you have been a guide for so long.

[Titov] Many people are attempting to provide such a definition today. Some political forces claim that we are building capitalism. Others say that we are not building anything at all and are simply destroying Russia in the interests of the West. Therefore, I will express my personal opinion.

We were a state with a totalitarian regime and a planned economic system. We were a state with a distorted price system. We had cheap natural energy resources, cheap raw materials, rather expensive consumer commodities, and costly machine-building production. I believe that, as a result of the reforms, we must achieve a state with a socially oriented market economy. Where a person will be granted complete freedom to be in charge of his own work. But the state will protect any person who is unable to work.

[Lebedev] Are you satisfied with the progress of reform?

[Titov] No. I would even go further. During the last two years, if the president's edicts about intensifying economic reforms are excluded, merely the semblance of reform is being created.

We are once again forming the budget according to the branch principle. We are once again giving credits to the VPK [military-industrial complex] and the fuel-energy complex, instead of setting the one and the other free a long time ago. But where is the money for education, culture, ecology—where is all this? The branch principle can be maintained only for the Ministry of Defense. Defense of the Fatherland, whether we like it or not, is a sacred cause.

[Lebedev] Are you a monetarist?

[Titov] I cannot say I am a pure monetarist. I am rather an economist with a human face who understands the financial mechanism of reform and the market.

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[Lebedev] And what exactly does this consist of?

[Titov] Complete freedom of market relationships. A person should work and pay taxes. That is the whole plan. You like to make sandals—make sandals. You like to make high-class optics— make high-class optics. We grant this kind of freedom on the territory of Samara Oblast. We do not regulate prices. We do not control trade surcharges. We do not instruct the producer where to sell his product. If it is profitable to take it to the Czech Republic, take it there; if it is profitable to take it to Yakutia, take it to Yakutia.

Last year we removed administration control over the question of providing foodstuffs to the oblast, in particular bread grain. These functions were transferred to the Samara grain exchange. The brokers seats on the exchange have grain producers not only from Russia but also from CIS countries.

[Lebedev] So, there is generally no control over the economy?

[Titov] We control only the movement of capital on our own territory. In particular, we give various benefits as incentives to banks that send capital for the development of production forces in industry and agriculture.

Conversion is another priority position. Moreover, we are trying to tie in the conversion program with the development of the automobile complex. The Volga automobile plant is working on the idea of creating a "Russian Detroit" in our country. The idea consists of the organization of production of parts for Zhigulis at Samara Oblast defense enterprises. One of the oldest enterprises of the defense industry—the Plant imeni Maslennikov—has within the scope of this program already set up output of a fuel injection apparatus without a carburetor.

If we are talking about the conversion program as a whole, I think that the path to it is through the joint-stock company system. The state should pay only for the output of products that are needed to strengthen the defense capability of the state. All remaining production should be converted to joint-stock companies.

[Lebedev] The opinion exists that we are following the American path of market formation. Do you agree with this?

[Titov] I would not put it that unequivocally, that we are taking a purely American path. After all, how was the American state formed. There the component states united and gave powers to the center. Moreover, they gave just as much as they wanted to, and they concluded a convention in accordance with this.

In our country the situation is completely the opposite. Here all power was in the center for decades, and there was none in the components of the federation. Our task today is to divide these powers. This process always proceeds significantly more painfully. Because the center immediately begins to ponder: If there is nothing to divide, why is the process necessary at all? It is here that Russia's great difficulty lies. This, if you wish, is where we differ from the American situation, and this is our own path.

[Lebedev] You are talking about the division of what kind of powers?

[Titov] The state must in the end invite the regions to discuss a new tax system. But what transpires? We have a federal and democratic state, but the budget and tax system of a unitary state. And no matter how much you repeat that you have a federation, it will not taste any sweeter.

Not long ago we submitted to the government a proposal to conduct an experiment in Samara Oblast. The gist of the proposal comes down to increasing the oblast's share to 60-70 percent of all taxes collected on our territory. Agreements like this, incidentally, have already been signed with Tatarstan and Bashkortostan.

[Lebedev] But these are republics....

[Titov] How is a Tatar living in Samara Oblast worse than a Tatar living in the Republic of Tatarstan? I have enough political freedoms as a subject of the federation. I do not need a national complexion for this freedom. I also do not need the national flag of Samara Oblast, and I am even ready to give up the oblast government. But I still need the same economic independence.

[Lebedev] Does the Ministry of Finance share your opinion?

[Titov] No, it does not. And how could it? Although I even propose: Leave me the money that is earmarked by the federal budget for spending on the federal structures of my oblast and for federal programs. The oblast treasury will there and then send it to organizations that are in need. As a matter of fact, why send money to the Ministry of Finance, and then go to Moscow and fight to get it back for the upkeep of prisoners in Samara Oblast? When it can simply be left here.

[Lebedev] Your reasoning is interesting. On the way to Moscow and back the money goes through a whole system of commercial banks, and produces a solid income for someone. Do you intend to destroy this entire system?

[Titov] You put it well when you said that the money must go through several banks. But afterwards you have

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to go and beg. Otherwise the bureaucrat in Moscow will ask "Why am I here then, if they do not come to me and beg?" This is the eternal problem of a civil servant who stands at the helm of distribution and cannot understand that the market mechanism does not require such services. It needs entirely different services.

[Lebedev] Who among the members of the government can you say shares your views?

[Titov] Anatoliy Borisovich Chubays. I think that he and I are completely united in our views on the economy. Oleg Nikolayevich Soskovets is closer to our center. He supports us on many positions, in particular on converting the defense complex to joint-stock companies.

[Lebedev] And the prime minister?

[Titov] Chernomyrdin's position is ambiguous. He is the leader of the government, and he should not be unequivocal. It is necessary for him to continuously sense the balance of political forces in the country, the balance of the development of the individual Russian territories as individual economic zones. The balance of the confrontation of forces in these zones. He must be more versatile than the others.

[Lebedev] Are there many opponents of the market development of the economy among the members of the government?

[Titov] Enough.

[Lebedev] What is the correlation of these forces today?

[Titov] Fifty-fifty. Equally divided.

[Lebedev] Is this bad?

[Titov] Yes. We can rock to and fro with such "swings" for a long time. After all, the government has the right to come out with a legislative initiative directed at extending reform. But it is not doing this. If it does come out with an initiative, then the Duma blocks the adoption of these decisions. These contradictions have not been overcome yet, and they will impede the development of events. See for yourself: The abolition of customs privileges is the correct economic position. But it took place only owing to the president's edict. It was not even able to get through the Federation Council.... There were such debates there.

[Lebedev] What other legislative acts are vitally necessary today?

[Titov] A land code. Divide everything and establish the owners, then the bureaucrat will perform as an ordinary state employee, and not as an economic factotum. The bureaucrat must create conditions, including legislative conditions, and ensure that they are implemented. But in our country today he still plays the role of a benefactor—I will give to this one, but not to that one.

Sverdlovsk Oblast Gubernatorial Elections Viewed

954F2311A Moscow IZVESTIYA in Russian 16 May 95 p 2

[Aleksandr Pashkov report: "An Exclusive for Rossel?"]

[FBIS Translated Text] Yekaterinburg—The edict of the president of Russia on elections for a governor in Sverdlovsk Oblast is seen by Eduard Rossel, speaker of the local Duma, as a victory for democratization and the reform of the political system locally.

The edict has evoked an equivocal response in many people. The logic of Boris Yeltsin is incomprehensible: Some time ago, again by nominal edict, he removed from office Governor Eduard Rossel, believing thereby that his idea of a Urals Republic would be harmful to Russian federalism, and is now, in fact, affording Rossel an opportunity to return to his old seat since he is at the present time one of the sure candidates for the office of governor.

According to Rossel, he sees the president's logic as residing in the fact that the latter respects strong personalities and firm characters. But following this logic, Boris Yeltsin should have no less respect for Dzhokhar Dudayev. In analysts' opinion, the appearance of the edict is not fortuitous—it is a preparation for the elections of the president himself.

Local games are of little trouble to the Kremlin. The point being that, following Rossel's dismissal, Yeltsin's popularity, in the oblast, which had traditionally been stable here, began to fall sharply. The president's team could not have failed to have taken account of this prior to the elections, it is believed.

The edict contains one further line which attracts attention—the elections are being permitted by way of an exception. According to Rossel, the oblast obtained such a privilege thanks primarily to his, Rossel's, driving force and the creation in the legislative assembly of a package of documents securing the legal and economic basis for such elections. Moscow will first hone this "exclusive" in Sverdlovsk Oblast and then authorize it for others also, it is said.

The elections previously scheduled by the Duma for 18 June will hardly take place—there is too little time to prepare them. If it is considered, therefore, that no one had any objections to the elections in principle and that the argument was about the timeframe, it is incomprehensible what those who were struggling for publication of the edict have gained. This emphasizes

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even more, in my view, the rightness of those who see the edict as the "president's move."

Yekaterinburg Heads Debate Self-Government

954F2311B Yekaterinburg NA SMENU in Russian 20 Apr 95 pp 1-2

[Ye. Susorov report: "On the Law on Self-Government"]

[FBIS Translated Text] The latest roundtable from the series of problem-solving meetings of administrative and public figures of the city with representatives of the center was held recently in the Yekaterinburg Administration building. Yekaterinburg was recently visited with a view to participation in such a meeting by R. Abdulatipov. On this occasion the guest of the Urals was A. Sliva, chairman of the State Duma Committee for Self-Government.

The subject of the dialogue is, perhaps, more topical than most in our day: the self-government of "local communities," in other words, the problem of "power from below" under the conditions of the sharp increase in the number of components of the Federation and self-governing regions.

G. Karelova, deputy of the oblast Duma, informed the participants in the roundtable that work on the preparation of the long-awaited law on the organization of self-government was in full swing in Moscow. True, a draft which had evoked stormy arguments and the discontent of many deputies, namely, the draft prepared by the Deputy Muravyev group, had been adopted in its first reading....

A. Bakov, a deputy of the oblast Duma and chairman of the Legislation Committee, said in this connection: "Muravyev of the New Regional Policy association, as deputy chairman of the Committee for Self-Government, submitted the draft simultaneously with a draft prepared by the Ministry for Nationalities, which differs from it appreciably, mainly on the question of preservation of the rayon system and the introduction in Russia of the European model of self-government. This version corresponds entirely with the Soviet system of power locally, when the rayon decided more questions than the countryside.... Despite a number of flagrant miscalculations and shortcomings, Muravyev is supported by several figures of the rayon component, in our oblast included."

This is the opinion of A. Chernetskiy, head of the administration of the city of Yekaterinburg: "Today's administrative-territorial division of Russia is flawed. We need a law on self-government which does not enshrine today's state of affairs but affords a prospect of a more expedient administrative arrangement."

In Arkadiy Mikhaylovich's opinion, Muravyev's version will lead to "total local self-government," whereas it would be more expedient to create organs of state power in rural rayons and to impart to local self-government the functions of state administration!

V. Trushnikov, deputy head of the administration of Sverdlovsk Oblast, believes that the law on self-government should define what is meant by the "local community." The current bill provides for the interaction of the representative and executive bodies. This is, in fact, the model of the former omnipotence of the soviets. We, however, are for a separation of powers, and, in our view, the representative body should not involve itself in administrative functions. In the coming five years the principle of state administration of the components of the Federation should be preserved since questions of the disposal of the interior, land, and forests and, particularly, their privatization will take a long time to settle.

In conclusion A. Bakov familiarized those assembled with certain provisions from our oblast law on self-government drafted by the local Duma: "What is most revolutionary in our law is the consideration of the increase in the number of local communities from 59 to 600. Reform is essential if only for this! The new, township, principle of local self-government was, in fact, established here in the oblast back in 1994. We did not impose limitations on the number of members within local communities in the hope that local components of the Federation would revive the neglected areas of the Northern Urals."

A. Sliva, the visitor from Moscow, presented a radical proposal—the immediate forwarding of our oblast law on self-government to the State Duma as one big amendment to the draft federal law. "The most important thing," A. Sliva emphasized, "is to resolve the problem of the linkage of the law on local self-government and the change in legislation on taxes and property and a change in the land code. The reform of self-government will not succeed without this."

Commercial Bank's Branch Head Interviewed

954F2292A Yekaterinburg VECHERNIY YEKATERINBURG in Russian 20 Apr 95 p 2

[Interview with Yu. Nesterov, director of the Yekaterinburg Branch of the Moscow Bazis Bank Joint-Stock Company, by V. Afonin; place and date not given: "The Market Does Not Like Amateurs"]

[FBIS Translated Text] [Afonin] Yuriy Sergeyevich, public opinion toward banks today is ambiguous. On the one hand, it is impossible not to agree with the fact

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that a large bank means billions and billions of rubles whose management is impossible without enormous responsibility and professionalism of the highest class. On the other hand, the respectable figure of a banker against the background of today's difficult life does not evoke sympathy among many people. In your opinion, what kind of emotions prevail?

[Nesterov] It all depends on who is looking, who is being looked at, and from what standpoint. Of course, the wave of financial scandals that has rolled across the country, Moscow, and Yekaterinburg has cast a shadow on the overall image of banks. But at the same time, an old truth has once again been confirmed with complete clarity: It is bad when a shoemaker bakes pies. Take a look—in many companies and banks that went under it was not the swindlers who disappeared without a trace after taking the money. The intentions were frequently the very best, but there was not enough professionalism, experience, or thorough knowledge of every detail in the business in which they engaged. From the very first days of work our branch has regarded professionalism as of paramount importance. Virtually all the workers of the branch have a higher economic education, there are several candidates of economic sciences, and all of the personnel have a record of long service in banking activity.

The financial sphere is a sphere of activity that is too large and so tied in with all other spheres that it cannot exist according to some kind of discrete special laws. Here, as for any other good specialist—doctor, metalworker, or musician—success and prosperity are impossible without hard work, patience, and talent: If any of this is lacking, there will be only headaches. But if there is success, then we did not work 16 hours a day in vain.

Today a banker in Russia is not the owner of a bank. The bank belongs to stockholders, and it is they who should manage it—at meetings and through elections of the management staff. It is another matter that some have not yet realized this, some are not able to learn, and some do not want to learn, afraid of responsibility. But only the position of an owner, a person who is interested in further development and in good results today and tomorrow, can change the crisis phenomena in our country. The tendency toward extremes, reliance on pure luck, and muddleheadedness in one or another form—all this stems from the position of a detached observer, when a person has nothing to lose. But an owner, as a rule, makes very careful decisions.

[Afonin] Yuriy Sergeyevich, by virtue of historical reasons, our fellow citizens simply did not know for a long time what real ownership was. Even now, given the low standard of living and high inflation, talking about the acquisition of property is very problematical for the majority. In general, people want to preserve the monetary crumbs that they are saving for a "rainy day." After the symbolic compensation at the Savings Bank, there is no faith in the guarantees of the state and, after stories of the MMM type, reliance upon commercial structures is also not great. What can the ordinary depositors do?

[Nesterov] In my opinion it is more reasonable and reliable in all relationships to realize a simple idea: No one will make any kind of special income for the ordinary depositor. The real level of increase of a deposit that one can be guided by is the Central Bank of Russia rate. It is lower, naturally, at commercial banks that operate with small sums. Indeed, it is not a lot, and you usually have to wait several months even for the rather modest interest on time deposit accounts, but people become millionaires overnight only in stories. Therefore, the less illusions there are, the fewer disappointments.

Like several other banks, we put flexible regulation of interest rates into practice. Thus, at the beginning of March of this year we were paying up to 152 percent annual interest on people's deposits, and up to 140 percent on the deposits of juridical persons. For permanent customers, the payment on balances in settlement accounts was at a 12 percent annual rate.

Unfortunately, today we are unable to permit ourselves that which is accepted in economically developed and rich countries—to have a personal lawyer and consultants on one or another problem. We have to resolve numerous questions independently and at our own risk. But the most difficult ones, nevertheless, require the participation of a specialist, a professional. The regulation of money, of course, relates specifically to such matters. The participation of a specialist in such matters may not be permanent, and it may only consist of advice. But it is really not worthwhile to ignore even the slightest opportunity to check our evaluations against the opinion of a professional in such a complicated sphere as finance. Here, in my opinion, it is necessary to look not at the type of savings, or at the name of the bank or company, but at the person, one who, advisably, is more or less known. It is necessary to decide for yourself: Do I trust this particular person, or not? You are also helped here by everyday experience and by intuition. If you see a person who is competent and honest—it is better to listen to his words. But theoretical and abstract judgments, with all their correctness, still remain only theory.

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[Afonin] Yuriy Sergeyevich, in your opinion what does professionalism in the relationship between a bank and a client mean?

[Nesterov] At the very least, not looking at the client as a burden. But seriously speaking, of course, providing information to someone who comes to the bank regarding all the variants of its activities on the financial market, and assisting in the selection of the optimal variant in a given specific situation. I will cite this example: Today many firms go to Moscow for a commodity. It is possible, of course, to take cash, and if a deal breaks down, to return with the cash. In the best case, if the provision of security is reliable, with the very same amount. But one can take a Bazis Bank bill of exchange in order to make payment with it, or convert it into money in a leading bank. If the commodity is not acceptable, the bill of exchange makes it possible, after returning home, to earn interest for the entire time of the trip.

Bazis Bank, which is at the tail end of the second hundred banks of Russia, holds forty-fourth place in the image rating of banks, according to FINANSOVAYA GAZETA data. The central press—IZVESTIYA, BIZNES I BANKI, and others—name it among the reliable ones. We have a general license for the conduct of all types of operations. Specialists know that only one bank in 10 enjoys such a right. Bazis Bank correspondent accounts are open in the most important countries of the world, in the near abroad, and in several dozen banks of Russia; for example, in Inkombank, Avbtobank, Tveruniversalbank, and others.

I am not a supporter of any particular feature about our bank that is advertised. Wherever the main role is played by our money or somebody else's that is taken under management, trust always has a special value, but trust is not won with words, especially phrases from advertisements. But talking about the financial sphere as a whole, I would like to advise everyone who is interested: Any transaction with the help of a bank and through a bank is more reliable. By virtue of their own specific features, these banks are uncommonly law-abiding, their activity is sufficiently public, and they are efficiently controlled by various state authorities.

Our founders are very large Russian enterprises, from which the bank gets its name. On the financial market, Bazis has operated profitably in all four years of its existence. Regarding tomorrow, we are increasing our authorized capital from 10 to 30 billion rubles.

The wave of reforms has brought a lot to the surface of life. With time, some things will be scattered, some will sink, and some will simply come to shore. Banks are ships that will always be in the fairway of the economy. And, like the emblem of a ship, our firm's trademark is displayed on the walls of the bank in the center of the city, at the corner of Malyshev and Mamina-Sibiryaka. We are always happy to see a respectable client.

Tyumen Oblast Oil Pipeline Ruptures, Catches Fire

LD2305094495 Moscow ITAR-TASS World Service in Russian 0838 GMT 23 May 95

[By ITAR-TASS correspondent Vladimir Zyukov]

[FBIS Translated Text] Surgut, Tyumen Oblast, 23 May — An oil pipeline 700 mm in diameter has ruptured 30 km to the northwest of Surgut and the oil is on fire. The incident on the oil pipeline has put two power transmission lines, LEP-110 and LEP-55, out of action.

ITAR-TASS has learned from the regional civil defense and emergency headquarters that work is actively under way to clear up the accident and to establish its causes and the extent of the damage.

Privileged Economic Status of Ingushetia Scored

954F2325A Moscow IZVESTIYA in Russian 19 May 95 p 8

[Article by Dmitriy Ignatyev, leading specialist of the Tax Reform Department of the Russian Federation Ministry of Finance: "The Country Has a Place Where You Can Safely Hide From Taxes"]

[FBIS Translated Text] The presidential edict "Urgent Measures for State Support for the Formation and Socioeconomic Development of the Ingush Republic" was signed in February 1993. The edict provides for the allocation of substantial amounts from the federal budget "for the economic goals of the Administration of the Ingush Republic." But the government proposed a way of rendering assistance via the creation, by way of an experiment, of the Ingushetia Economic Preference Zone. Up to 1 July 1995. Some results may perhaps be summed up today even.

The experiment has been a failure—this is certain. It may be said with every justification that it has merely contributed to the breakdown of the country's financial and tax system. In conjunction with the State Tax Service of Russia, the Ministry of Finance has repeatedly briefed the Government of the Russian Federation on the negative consequences of tax privileges being granted enterprises in special economic zones of the Ingushetia type. Our arguments are as follows.

First, the creation of such zones is contrary to current tax legislation of Russia.

Second, tax privileges for an individual component of the Federation should be harmonized with the opinion

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of all components of the Federation via the Federal Assembly of the Russian Federation.

Third, world experience testifies that offshore zones are created exclusively for foreign companies.

And fourth, unified tax discipline is disrupted in the course of such experiments, which hampers the process of financial stabilization.

Look what is happening in practice.

Enterprises actually engaging in their activity outside of the Ingushetia zone are registered in this zone exclusively for the purpose of tax avoidance and do not pursue any activity in it. The Stavropolnefteprodukt enterprise, for example, having been converted at the end of 1994 into the Stavropolnefteprodukt restricted stock company, registered in the Ingushetia offshore zone and ceased paying taxes to Stavropol Kray and the local authorities, although the stock company's financial and economic activity is exercised on the territory of Stavropol. For November-December of last year alone the amount of tax sheltered in this connection constituted 3.628 trillion rubles. As of the present there are 160 such enterprises on the territory of Stavropol Kray. Considering these enterprises' reregistration in the zone, the kray treasury experienced altogether a shortfall of R16 billion.

There are 42 such enterprises in Rostov Oblast. The losses of tax revenue, however, are in the R80 billion range.

Ufa, which has for the same reason experienced a shortfall of more than R1.5 billion as of the latter half of 1994, is suffering also.

Here is what is happening within the economic preference zone itself. Instead of creating bodies for management of the offshore zone, the Government of the Ingush Republic has transferred all the said authority to the BIN Finance Corporation restricted stock company, whose founders are the Industrial-Financial Company and BIN stock company (Moscow) and the BIN Commercial Bank (Moscow).

As of 20 March 1995 some 1,706 enterprises were registered with the so-called "Tax Inspectorate of the Ingushetia Economic Preference Zone" (this body is not part of the State Tax Service of Russia system for some reason or other). All, what is more, at the legal address of Building No. 3, ul. Fabrichnaya, Nazran. The majority of them are involved in trade and brokerage activity. Of the total number, only 19 registered enterprises are located on the territory of the zone itself. And in Moscow, say, more than 400.

Now let us see what the financial state of the BIN Finance Corporation is.

Some R46.1631 billion were paid into the corporation's settlement account in 1994. And 15.8 percent of total receipts was spent on advertising. On the disbursement of compensation (read: privileges) for customs payments, 23.7 percent. And 22.7 percent of resources were used by the BIN Finance Corporation for its own use.

As a result, the corporation entered as income R2.1029 billion, or 5.9 percent of the taxes and other compulsory payments received.

At the same time there was a shortfall as of 1 April 1995 in the transfer to the Ingush Republic Development Fund, the federal treasury, and the retirement and other funds of R89.713 billion.

It is planned to use the said resources for the construction of a hotel in the city of Nazran ($5,649,424), 15 cottages in the same city ($2,571,236), outdoor cafes ($250,000), and so on and so forth.

The question arises: How far does this use of the funds correspond to the content of the purposes defined in the presidential edict? And why should components of the Federation finance with their tax payments to the federal treasury the BIN Finance Corporation restricted stock company and thereby stimulate the financial difficulties of such regions as Stavropol Kray, Rostov Oblast, and others?

Following coordination with the State Tax Service of the Russian Federation, the Ministry of Finance today proposes that a decision be adopted on termination of the experiment concerning creation of the Ingushetia Free Economic Zone. And that this be the end of such zones in Russia. Will the specialists' opinion be heard?

Economic Issues

Western Financial Groups To Fund Projects

MK2005073095 Moscow SEGODNYA in Russian 20 May 95 p 1

[AFI report: "Western Investors Intend To Fund Russian Federation Government Projects"]

[FBIS Translated Text] Representatives of 20 major international financial institutions will submit in early June a program for the investment of their funds in the Russian Federation Government's projects. Vladimir Zantsev, head of a group of Russian Government experts, said the case in point is the formation of a financial base for three or four big capital-intensive and financially promising programs for which high-liquidity international financial obligations are to be issued. The

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first issue of state promissory notes worth approximately $100 million are supposed to be issued in July 1995 in cooperation with Merrill Lynch International Limited, a major world guarantor of the flotation of shares and bonds.

World Bank Loan To Help Urban Transportation

MM2205110195 Moscow IZVESTIYA in Russian 20 May 95 p 1

[Report by Vladimir Nadein: "Fourteen Russian Cities Will Resolve Transportation Problems With World Bank's Aid"]

[FBIS Translated Text] The World Bank has approved a loan of $329 million to improve Russian urban transportation.

There is no country in the world that is so dependent on public transportation and where it has deteriorated so rapidly. For specialists, the most depressing issue is the pervasive conviction of Russians that transportation should be cheap, operate efficiently, and issue concessions in every direction. The biggest shock is for those who leave the former Soviet Union to visit America for the first time and find that 10 ordinary trips on the subway cost the same as a decent radio.

The World Bank loan will target those cities that have taken the first steps to increase the economic viability of urban transportation.

Russia's dependence on punctual urban transportation is enormous. Some 74 percent of Russia's population live in cities. Of these, only 3 percent regularly use personal automobiles, 12 percent prefer mostly to walk, and 85 percent always use urban transportation. For the sake of comparison, public transportation in Western Europe serves 20 percent of the population, while in the United States the figure is just 3 percent.

With the collapse of the USSR, the deterioration of public transportation, whose maintenance was mainly financed by readily available money from the budget, also accelerated. As a result, most of the money went to the capitals, lesser amounts to the oblast cities, and nothing to remote areas. Urban buses and trams, a considerable proportion of which were produced in Hungary and Czechoslovakia, went out of operation in the thousands. There was not and could not be any new additions. Considering inflation, the relative cost of travel fell even lower.

But not everywhere. World Bank experts believe that in Cherepovets, Kostroma, Nizhniy Novgorod, Novgorod, Omsk, Pskov, Rostov-na-Donu, Samara, Saransk, Smolensk, Tver, Velikiye Luki, Vologda, and Yekaterinburg city officials have a responsible attitude to resolve the economic problems of urban transportation and are not afraid of introducing resolute reforms. That is where the major sums of the loan will be channeled.

The World Bank will give preference to those cities where about 40 percent of transportation expenses are covered by passenger fares. In the future, plans call for a higher level of profitability, and urban transportation will almost be able to pay for itself.

The allocated money will enable cities to acquire 1,770 buses and trolleybuses and to repair over 1,500 buses, trams, and trolleybuses.

The loan is also intended for technical aid and the retraining of personnel to develop the best plans for reforming transportation. Funds will also be allocated to the Ministry of Transportation primarily to develop a nationwide urban transport policy and to spread the reform to other regions. Some $50 million are to be spent specifically on spare parts for cities throughout Russia.

The recipient of credit from the bank and the distributor of finance among the designated cities is the Russian Government. The funding for urban transportation has become Russia's 18th targeted loan from the World Bank. The total sum of these projects is equal to 4 billion [currency not specified]. Russia joined the World Bank in June 1992.

Decree Approves Loan for Updating Tax Collection

MM2205120995 Moscow ROSSIYSKAYA GAZETA First Edition in Russian 17 May 95 p 3

[Russian Federation Government Decree No. 363 "On the Signing of an Agreement Between the Russian Federation and the International Bank for Reconstruction and Development on a Loan to Fund a Project for Modernizing the Russian Federation Tax Service," signed by Russian Federation Government Chairman V. Chernomyrdin in Moscow on 18 April]

[FBIS Translated Text] The Russian Federation Government resolves:

1. To adopt the proposal of the Russian Federation State Tax Service, coordinated with the Russian Federation Ministry of Finance and the Russian Federation Ministry of the Economy, to sign an Agreement Between the Russian Federation and the International Bank for Reconstruction and Development [IBRD] on a Loan of $16.8 Million To Fund a Project for Modernizing the Russian Federation Tax Service;

— to approve the draft agreement provisionally agreed with the IBRD;

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— to authorize the Russian Federation State Tax Service in coordination with the relevant federal executive organs to make amendments and additions to the agreement which do not have a fundamental character;

— to instruct A.B. Chubays, first deputy chairman of the Russian Federation government, after final coordination with the IBRD to sign the said agreement on behalf of the Russian Federation.

2. Once the agreement indicated in Point 1 of this decree has been signed, the Russian Federation State Tax Service in conjunction with the Russian Federation Ministry of Finance, the Russian Federation Ministry of the Economy, the Russian Federation Ministry of Justice, and other interested federal executive organs are to ensure the implementation of measures necessary for the agreement to come into force and to submit the corresponding proposals to the Russian Federation Government.

[Signed] Russian Federation Government Chairman V. Chernomyrdin

18 April 1995, Moscow, No. 363

Natural Gas Export Totals, Customs Duties Fixed

MM2205123595 Moscow ROSSIYSKAYA GAZETA First Edition in Russian 17 May 95 p 3

[Russian Federation Government Decree No. 479 "On Export Deliveries of Natural Gas in 1995," signed by Russian Federation Government Chairman V. Chernomyrdin in Moscow on 28 April]

[FBIS Translated Text] In order to implement Russian Federation Presidential Edict No. 2213 of 26 December 1994 "On Regulating Natural Gas Exports" (SOBRANIYE ZAKONODATELSVA ROSSIYSKOY FEDERATSII 1994, No. 35, page 3693) the Russian Federation Government resolves:

1. To approve the volumes of natural gas exports for federal needs in 1995 in line with the Russian Federation's international economic obligations in accordance with the appendix (not published).

2. As a partial amendment to Russian Federation Government Decree No. 862 of 19 July 1994 "On Partially Amending the Export Customs Duty Rates and the List of Goods Ratified by Decree No. 1103 of the Russian Federation Council of Ministers-Government of 30 October 1993 'On Ratifying the Export Customs Duty Rates and List of Goods To Which They Are Applied'" (SOBRANIYE ZAKONODATELSVA ROSSIYSKOY FEDERATSII 1994, No. 14, page 1642) to introduce from 1 January 1995 an export customs duty rate on natural gas of 2 Ecu's per tonne.

[Signed] Russian Federation Government Chairman V. Chernomyrdin

28 April 1995, No. 429, Moscow

Government Decree on Exploiting Seabed Minerals

MM2205143395 Moscow ROSSIYSKAYA GAZETA First Edition in Russian 17 May 95 p 5

[Russian Federation Government Decree No. 410 "On the Procedure Governing the Activity of Russian Individuals and Corporate Bodies in Exploiting the Mineral Resources of the Seabed Beyond the Continental Shelf" signed by Russian Government Chairman Viktor Chernomyrdin in Moscow on 25 April]

[FBIS Translated Text] In accordance with Russian Federation Presidential Edict No. 2099 "On the Activity of Russian Individuals and Corporate Bodies in Exploring and Exploiting the Mineral Resources of the Seabed Beyond the Continental Shelf" (SOBRANIYE ZAKONODATELSVA ROSSIYSKOY FEDERATISII, 1994, No. 31, page 3252) the Russian Federation Government decrees:

1. That the activity of Russian individuals and corporate bodies, regardless of the forms of ownership, including the participation of foreign individuals and corporate bodies, in prospecting for, exploring, and exploiting the mineral resources of the seabed beyond the continental shelf be carried out in accordance with the generally recognized principles and norms of international law, international treaties, and Russian Federation legislation and that it be regulated by the Russian Federation Committee for Geology and Exploitation of Mineral Wealth in coordination with the Russian Federation Foreign Ministry and other interested federal organs of executive power.

2. That federal organs of executive power ensure within their powers the safety of individuals and the security of property when activity to exploit the mineral resources of the seabed is carried out in accordance with this decree.

[Signed] Viktor Chernomyrdin, chairman of the Russian Federation Government

Paramonova on Reduction of Banks' Reserves

LD2205171595 Moscow INTERFAX in English 1640 GMT 22 May 95

[FBIS Transcribed Text] Moscow, May 22 (FIA-INTERFAX) — Acting Central Bank Chairwoman Tatyana Paramonova believes that a sharp reduction in the compulsory reserve positions commercial banks

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have to keep with the Central Bank of Russia (CBR) is impossible in the near future.

Paramonova made this statement at a news conference in the CBR Monday following a debate between the CBR and the Russian Banks' Association (RBA) on the compulsory reserve positions and related issues.

According to Paramonova, the CBR cannot agree with the RBA proposal to reduce the reserve positions to from 20% to 10% on ruble demand accounts and from 1.5% to 0.5% on hard currency accounts. "To resort to this spells to intentionally promote a higher inflation rate until the level of the beginning of the year (17% — IF note). We cannot endanger the country's economic interests to meet those of a part of major commercial banks," Paramonova said.

At the same time, Paramonova did not exclude that the CBR could eventually lower both compulsory reserve positions and its refinancing rate. This will depend on the general situation in Russia's economy, she added.

Paramonova said Russian citizens lost less from inflation in the first quarter of this year (from 170 to 90 rubles from each 1,000 rubles a month) thanks to the CBR's strict and apparently unpopular financial policy. The new compulsory reserve positions procedure will help to reduce the losses by another 25 rubles per each 1,000 rubles a month within the next months, she remarked.

Commenting on the May inflation rate, Paramonova noted that the figure was not supposed to exceed 7%. "However, only if the CBR and the government manage to withstand the banks' lobbying pressure and not abandon the declared goals as far as financial stabilization is concerned," she added.

Finance Ministry Plans for Second Quarter Budget

LD2205204895 Moscow INTERFAX in English 1941 GMT 22 May 95

[FBIS Transcribed Text] Moscow, May 22 (FIA-INTERFAX) — The Russian Finance Ministry plans to make 50.4 trillion rubles available for financing the federal budget spending in the second quarter of 1995. This will amount to 91% of the federal spending in the quarter, in particular 80% of domestic programs and 108% of foreign programs.

This is the essence of a document sent by the ministry Monday to the State Duma Budget, Taxes, Banks and Finances Committee .

Even though the planned spending on domestic programs is 4.7 trillion rubles more than the actual spending in the first quarter of the year, this amount falls six trillion rubles, or 14% short of the funds appropriated for the second quarter, the document says.

The implementation of the federal budget in the second quarter is made complicated by the postponement of the International Monetary Fund credit from the first to the second quarter. An additional amount equal to 1.3 trillion rubles had to be used to service the national debt. A total of 13.9 trillion rubles are planned for that purpose in the second quarter of the year.

On the whole, the spending in the second quarter should exceed that in the first quarter by nearly 10.7 trillion rubles, or 27%.

With the excess of paying the treasury bonds over their issuance the financing of the budget deficit will total 11.3 trillion rubles which will offset the federal budget deficit in the second quarter of 1995.

Economic Statistics Through April Reviewed

MM2205130095 Moscow TRUD in Russian 19 May 95 p 2

[Article by Vitaliy Golovachev: "We Have Grown Tired of Waiting. The Real Income of Russians Has Decreased by 6 Percent, and Real Earnings by 30 Percent"]

[FBIS Translated Text] Yes, we have grown tired of waiting for stabilization. Indeed, the April picture of Russian industry does not provide grounds for any particular optimism. The general fall in production is continuing. If you analyze current statistical material, it turns out that from January to April the volume of production was 95 percent of the level for the corresponding period last year. Thus, **our industry** today constitutes **approximately half of what Russia produced in April 1991.**

Although there has been an increase on a number of types of output, by and large we have taken another step backward.

The state of affairs in agriculture is no cause for joy either. The continuing reduction in livestock numbers bodes nothing good. In 1991, there were 57 million head of cattle, as compared with 45.5 million on 1 May of this year. An enormous herd — one-fifth of what we used to have — has "vanished into thin air." Naturally, fewer livestock products are being produced. From January to April meat production fell (compared to the same period in 1992) by one-third, milk production by over one-fourth, and egg production by 23 percent. For the moment foreign countries are coming to our assistance, but is this appropriate for such a potentially powerful agricultural state? Where, you may ask, are the fruits of changes and reforms in the Russian countryside?

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Incidentally, beef is quietly disappearing from the stores, even at its expensive price — the statisticians came across it in only 47 percent of trade enterprises in April.

A severe fall is also continuing in **light industry**, which is apparently on the verge of collapse. The volume of production in the sector now constitutes **less than one-fourth of what it was in April 1991.** In one year alone production of bed linen, for example, fell by another 69 percent. Of course, foreign countries will fill up our market here too. So what are we going to do — just import? What about manufacturing?

When there is a reduction in all the most important production and economic incdicators (GDP fell by 5 percent in April), it is hard to expect that the lives of the majority of the population will improve. The real monetary income of the Russians (taking into account the increase in prices) fell by approximately 6 percent from January to April (as compared with the same period last year). During these four months **44 million people were living on the brink of the poverty line** because their income did not even reach the living wage (234,000 rubles [R] on average in Russia in April).

What is there to say about earnings? In real terms (taking inflation into account) they constituted only 70 percent of the level of April last year. Although nominally speaking, wages have increased in comparison with March, constituting, according to estimates, an average of R385,000, they have once again lost the race against prices. Prices rose 8.5 percent during the month, while earnings rose 7 percent.

The reduction in retail trade turnover also serves as confirmation of the fact that the majority of Russians have become even poorer this year. This decreased by 9 percent in the volume of goods in comparison with the same period last year. Many people spend all of their money on food.

Clearly, in such conditions the social atmosphere in many regions remains extremely tense. It is being stirred up even more by the continuing delays in the payment of wages. In April, although the arrears decreased by 3 percent, they still totaled an astronomical sum — R5.5 trillion. The education sphere has reacted most acutely to this. The center of the strike struggle, as a result of which 33,500 man-days were lost in the sector, has partially moved here. The total calculated losses from the strikes (including industry, construction, and transportation) come to 96,900 man-days, which is tangibly more than in March.

Finally, something about unemployment. Last month the number of unemployed officially registered exceeded 2 million people for the first time, while the total number of people seeking work was 5.7 million. If a wave of mass bankruptcies of enterprises starts, the army of "spare" people will increase sharply. This would be a serious threat to the currently very unstable social peace. I do not doubt that economic leaders at all levels understand how important it is to prevent a massive development of events.

The recovery of the economy depends in many respects on how the restructuring proceeds. There are no great successes here at the moment. Capital investments are continuing to decline (from January to April 1995, they were only three-fourths of last year's figure). Foreign investors are not in a hurry to come to us either. Meanwhile, time is running out. Hopes that inflation will be reduced to 3 percent by the end of the year and capital from the whole world will pour into Russia are extremely illusory.

Meanwhile, the growth in prices may have slowed down, but it is continuing. In February it was 11 percent; in March, 8.9 percent; and in April, 8.5. In the space of four months prices went up the most on cheese (doubled), beef, live and refrigerated fish, sour milk output, curd cheese, rice, and semolina (from 70 to 79 percent). Calico, toilet soap, and laundry soap have also gone up considerably.

No, the solution to the crisis is not in cosmetic changes, but in a resolute advance along the path of reforms, taking into account the errors that have been made.

Tax Service Reports Overdue Payments to Budget

LD2205105795 Moscow INTERFAX in English 1003 GMT 22 May 95

[FBIS Transcribed Text] Moscow, May 22 (FIA-INTERFAX) — The Federal Tax Service Statistics Division reports that since the beginning of the year overdue payments to the Russian federal budget grew from seven trillion to 16.3 trillion rubles as of May 1.

Arrears to budgets of different levels totalled 28.5 trillion, almost 8.5 trillion more than in the first quarter of the year.

The VAT was the most evaded of taxes: 8.5 trillion in total have failed to be collected. Profit tax arrears amounted to 3.4 trillion and personal taxes — to almost 13 trillion. The sum which has been granted a respite period, before it is paid to the federal budget, grew from 9.8 trillion on March 1 to 13 trillion on May 1.

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Communications Trade Union Threatens Action

MM2205154895 Moscow SOVETSKAYA ROSSIYA in Russian 20 May 95 p 1

[ITAR-TASS report: "Extreme Measures"]

[FBIS Translated Text] The Russian Union of Communications Workers will take "extreme measures" unless the large companies "Rostelekom" and "Svyaz-invest" are excluded from the list of enterprises scheduled for privatization in 1995, which is being considered by the government. ITAR-TASS was told this in an interview yesterday with Anatoliy Nazeykin, chairman of the union's central committee. In his opinion, the sale of the controlling block of shares in the said companies could lead to their escaping abroad and the loss of state control over communications resources. "Affairs could reach a point whereby the president's 'nuclear button' is 'cut off,'" the union leader said.

Both companies are on the list of highly profitable Russian enterprises whose shares will be sold this year in order to obtain 9 trillion rubles [R] incorporated in the budget's income element. This list, Nazeykin noted, could be approved by the government at any moment. According to his evidence, Goskomimushchestvo [State Committee for the Management of State Property] has already issued instructions to prepare the documents needed to sell "Rostelekom" and "Svyaz-invest" shares.

Communications workers are concerned by the prospect of mass job losses if shares in the companies end up in the hands of foreign investors. They also fear that their companies' property will be sold at a lowered price. According to the union leader's information, "Rostelekom" and "Svyaz-invest" plan to sell the controlling blocks for approximately R4 trillion, whereas their true value runs into tens of billions of dollars.

Communications workers are prohibited by law from striking, Nazeynik noted, but the union's 850,000 members throughout the country are prepared to carry out protest actions: demonstrations, rallies, and pickets.

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International Affairs

U.S.-Ukrainian Peacekeeping Exercise Begins

LD2305110795 Kiev UNIAN in Ukrainian 0830 GMT 23 May 95

[FBIS Translated Text] Lvov — The first U.S.-Ukrainian peacekeeping exercise codenamed Peace Shield 95 began today on the Yavorov testing ground near Lvov, said Vasyl Tarchynets, head of the Transcarpathian Military District press center, speaking to UNIAN.

More than 400 Ukrainian servicemen and about 300 U.S. servicemen are taking part.

Senior military officials from both sides are expected to hold a news conference during the exercise which will end on 28 May.

'Coincidence' of Timing of U.S. Exercises Eyed

MM2305110295 Moscow ROSSIYSKAYA GAZETA in Russian 23 May 95 First Edition p 14

[Article by Mikhail Shchipanov: "New Maneuvers by Old Name. U.S.-Ukrainian Military Exercises To Be Held in the Right Place, at the Right Time"]

[FBIS Translated Text] Three-day military exercises under the classical label "Peace Shield-95" are due to begin at the Lviv military range today. But don't think it is a question of a revived edition of the Warsaw Pact, which used to like to put two words — "peace" and "friendship" — into every title without fail. The components of this shield are American and Ukrainian servicemen, who plan to try out methods for use in peacekeeping operations together. According to the Carpathian Military District press center, the Americans and Ukrainians intend to rehearse practical operations by rapid-deployment subunits, collaboration in escorting humanitarian aid freight, mine-clearing.... In short, medium-scale exercises are planned, with the participation of approximately 300 "GI's" who have been urgently sent in, complete with the necessary combat hardware.

Interest could be prompted in this case by some extremely curious coincidences along the lines of the popular series "Stranger Than Fiction." Indeed, the date of the exercises was made public in well beforehand. Back at the end of April the site of the future events was visited by a Pentagon working group which discussed with their Ukrainian colleagues the vitally important problems of rear services: Americans want to be comfortable, even in Ukraine. So there was no special link to the ways of big politics. However, a more convenient and — most importantly — significant moment for ordinary exercises could hardly have been chosen than the end of May, when the euphoria from the first official visit by the U.S. President has yet to die down in Kiev. These things happen!

Memories of the numerous U.S. overtures are still fresh. Ukraine has not yet lost its illusions about the possibility of resolving all the accumulated problems with the help of generous support from across the ocean. Support is putting it mildly! Ukrainian President Leonid Kuchma, probably under the influence of his partners' high degree of confidence, has suddenly undergone a drastic change in his own view of the very sensitive issue of the eastward expansion of the North Atlantic bloc. Back at the end of last year, when he was across the ocean, the leader of sovereign Ukraine, judging by his statements, did not feel specially delighted at this prospect. But during Bill Clinton's visit he apparently saw the light and began to show restrained understanding on the matter: There is nothing terrible or destabilizing about the expansion of NATO, he said.

And now there are the joint maneuvers with the Americans in Transcarpathia. It is highly symbolic that they are also to take place in close proximity to the zone of the proposed eastward expansion of the North Atlantic Alliance. Poland and the Czech Republic are only a stone's throw away. In short, by virtue of various factors, what we see here is a vivid example of political Freudianism. At the subconscious level. Although in principle such maneuvers are needed.

Columnist on 'Tangible' Trend in U.S. Stance

WS2305103095 Kiev VYBIR in English 1150 GMT 22 May 95

[Commentary by Vyacheslav Pikhovshek: "Bill Clinton's Visit: Commentary in Retrospect"; from the "Ukrainian News" feature No. 20 22 May 95]

[FBIS Transcribed Text] American presidents do not visit Kiev every day, so this alone makes Mr. Clinton's appearance in the capital this May an event worthy of a closer, more penetrating look. Unfortunately, official Ukrainian media coverages were too carefully edited to give one an insight into the actual significance of what had happened, what new horizons had been opened for Ukrainian-U.S. cooperation, what discussions had taken place during the summit.

The most important achievement, from the formal standpoint, consisted of three aspects: Personal contacts between the Ukrainian and the U.S. President in Kiev, the signing of the Joint Statement, and the summit's propaganda effect. This was preceded by truly titanic work done by all those preparing the visit — Ukrainian

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and U.S. Government office employees and all the way up to the diplomatic level. Whereas the Ukrainian side had been content with a not too much publicized trip to Washington, testing the ground among the U.S. brain centers and government structures, the Americans arrived in Kiev "in force," along with some 3,000 U.S. diplomats from post-Soviet and postsocialist missions who had for a long time been busy preparing the president's two-day visit to the Ukrainian capital.

Both sides were, of course, governed by their own interests — i.e., by what basically concerned their governments. President Kuchma wanted fresh support for his further steps in the foreign, and mainly, in the domestic political course, and President Clinton was taking practical steps in implementing the Ukrainian trend in the U.S. foreign political program, a trend which had of late become increasingly tangible in Washington's activities.

Remarkably, by certain parameters both heads of states turned out to have much in common. For one thing, both were under pressure from their legislatures. President Kuchma was in "tight embrace" with the Verkhovna Rada [Supreme Council] which had dragged him into a position war over the power bill, and President Clinton was under the shower of Republican criticism in Congress, where he was accused, and not without reason, as by Senator Lee Hamilton, of allowing a situation in which the U.S. policy in the territory of the former USSR was actually determined by Russian President Yeltsin. Besides, Mr. Clinton's mood had not been made any better by his presence in Moscow during the grand military parade on Red Square, with the "heroes" of the Chechnya gruesome adventure showing proud ranks. In the president's eyes this made the contrast between the Russian capital and peaceful Kiev self-evident.

In view of all this, the new Ukrainian initiatives discussed during the summit acquired an altogether different coloration. Generally speaking, they could be summed up as the Ukrainian side's strong expectation of a "special attitude" on the U.S. part. It has long been pointed out that President Kuchma's foreign political endeavors, unlike some of his domestic political gestures, turn out well planned strategies whose minimum end result is to win Ukraine a most favorable status in the international arena, and the maximum one is to find a way for Ukraine to conduct a political course independently of Russia, so that Ukraine will no longer have to constantly check what winds were blowing over its neighbor's estate.

It is not difficult to understand that, dependent as the Ukrainian economy is on the Russian one, the Ukrainian side would do its best to camouflage this dependence, but Ukraine's foreign political strategy becomes clearer as every foreign political step taken by the Kuchma administration markedly fits into the general president-determined trend.

A good example of the above is the Ukrainian-U.S. discussion on NATO's future. Whereas previously Ukraine was sharply opposed to NATO's expansion eastward, today the emphasis has been shifted in principle. Now the topic is formulated as "gradual steps," and even more importantly, as a "new formula" of Ukrainian-NATO relationships.

The most interesting aspect, however, is not that the Ukrainian point of view had no chance to prevail, neither when Ukraine was opposed to NATO expansion (because the decision had been made in principle, and terms were the only thing left to decide), and nor when Ukraine proposed NATO to switch from the "16 Plus" formula (whereby Ukraine could accede to NATO only if accepted by each of the 16 members of the treaty) to the "1 Plus" formula (whereby Ukraine's admission could be decided by the North Atlantic Treaty Organization as a single body). It is that the Ukrainian attitude toward NATO has become a factor which will have to be reckoned with in the future; that, rather than to be mentioned as a secondary item in a petty government clerk's report, it is now regarded as an entity exerting a tangible influence on the situation in the international community. In this sense, Ukraine is, of course, beginning to score points in its favor. The foreign political agencies of its neighbors like Romania, Belarus, and Moldova have not been as lucky. (It suffices to remind oneself of when Ukraine declined to accede to the Romanian alliance, because that country's claims on Ukrainian Bessarabia made such affiliation unwelcome in terms of Ukrainian national security.)

A new stage in intergovernmental relationships calls for new mechanisms of their implementation. From this standpoint it is not difficult to understand the Ukrainian proposal to set up a Ukrainian-U.S. Committee, among whose functions would be the development of joint recommendations concerning focal economic, political, and military issues in this part of the globe. Generally speaking, after Ukraine declared itself a nuclear-free country there was a fair chance the United States would lose or considerably reduce its interest in this region of Eastern Europe. Such a committee would help get the Americans in the habit of following the goings on here and would make the process of Ukrainian-U.S. cooperation more stable and purposeful.

Finally, one should not underestimate the propaganda effect of President Clinton's visit to Ukraine. For the

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first time on Ukrainian soil the U.S. President spoke to its citizens. Regardless of what official Washington will think, if at all, of his speech, there is every reason to assume that in Ukraine and far outside it provided an impact tantamount to recognition of Ukraine's independence, being yet another evidence that not all roads lead to Moscow today.

Kiev Supports Lifting Sanctions Against FRY

LD2205173795 Belgrade TANJUG in English 1715 GMT 22 May 95

["Pool" item]

[FBIS Transcribed Text] Kiev, May 22 (TANJUG) — Ukraine will urge the lifting of anti-Yugoslav sanctions, an official of the Ukrainian Foreign Ministry confirmed to TANJUG Monday [22 May].

The official said that Ukrainian and Hungarian Presidents Leonid Kuchma and Gyula Horn met in Kiev last week and agreed that sanctions against Yugoslavia were causing enormous damage to their countries and that they would take steps in the United Nations to resolve the problem.

Ukrainian officials had earlier said that Ukraine had suffered damages of about four billion dollars as a result of the three-year embargo against Yugoslavia.

Ukrainian Deputy Prime Minister Petr Sablyuk said recently during a meeting with Yugoslav Ambassador in Kiev Gojko Dapcevic that continued anti-Yugoslav sanctions incurred new losses on his country's economy and that his government would urge the U.N. to either lift or ease them.

President of Ukrainian Parliament Foreign Relations Committee Borys Olynyk, currently on a visit to Belgrade, said in an interview to TANJUG that he supported a speedy lifting of sanctions imposed against Yugoslavia. He said that lifting of the embargo would be the fastest way to end further economic exhaustion of Yugoslavia and of a series of neighbour countries.

EU Grants Credit for Promise To Close Chernobyl

LD2305084795 Moscow ITAR-TASS in English 0746 GMT 23 May 95

[By Aleksandr Mineyev]

[FBIS Transcribed Text] Brussels, May 23 (ITAR-TASS) — The ministers for economics and finances of the European Union decided on Monday [22 May] to grant Ukraine a credit of 85 million ECUs, since Kiev had promised to close down the Chernobyl nuclear power plant by the end of 1999 and to fulfil thereby the Union's demand. The ministers also agreed to render Ukraine macro-economic assistance amounting to 220 million ECUs in order to back up the republic's payments balance. This sum will be extended to Ukraine in two trenches. The payments schedule will depend on Kiev's concrete steps to close down Chernobyl.

European experts estimate the cost of closing down this faulty nuclear power plant and creating alternative power generating at more than four billion U.S. dollars.

The meeting of the EU Council, held at the level of ministers for economics and finances, was the first after a lengthy lull in European affairs, explained by the presidential elections in France, which is to chair the EU until the end of June. The current meeting was presided over for the first time by Alain Madelin, the new French Minister for Finances, Economics and the Budget. He had to coordinate the deliberations, in which 23 persons had taken part, including 15 ministers from the EU countries and representatives from six "associated members" of the Union (Poland, the Czech Republic, Slovakia, Hungary, Bulgaria, and Romania), as well as from the three Baltic states with which "association agreements" are expected to be signed in June. The agenda of the talks among the heads of the financial establishments of the countries of Central and Eastern Europe included a discussion of the European Commission's "White Paper" on the integration of those countries into the West European Common Market. In reality, this enlarged meeting was quite formal and pursued the purpose of promoting the "structural dialogue", which the Union had offered to its eastern neighbours. Each representative from Central and Eastern Europe was given the right to take the floor for not more than one minute.

National Affairs

Bill on Division of Power Continues on Hold

WS2305092295 Kiev INTELNEWS in English 0100 GMT 23 May 95

["Special to Intelnews" by Olha Ansimova]

[FBIS Transcribed Text] Parliament's confirmation of the Power Bill does not necessarily mean President Leonid Kuchma's final victory in his conflict with parliament. Talk about liquidation of the Soviet system in Ukraine and real division of powers should be put aside for a while.

To introduce the Power Bill and the law on local government in one package, parliament must adopt one more law that will invalidate the outdated norms of the Ukrainian Constitution. The problem is that this legislative act, according to the current procedure,

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should be adopted by a constitutional majority, that is by two thirds, or 301 votes in parliament, which seems next to impossible, bearing in mind the spectrum of political forces in Ukraine's legislative body.

Kuchma and his leftist opponents in parliament wanted to gain some time and postpone the debates on introduction of the Power Bill until the next parliamentary week. After the Power Bill was confirmed, there were proposed two questions to discuss in the last day of the parliamentary week: the report of the General Prosecutor and the bill deemed necessary before the Power Bill could be made effective. The leftists insisted that the second question be discussed first, while their opponents managed to drag out the General Prosecutor's report for the entire day.

The decisive counter argument against the bill to change the Constitution was set forth by Anatoliy Nosov, the author of the law on parliamentary regulations and a member of the Center group, which is known to be in the main supportive of the president. Nosov, who is called "juridical hook" in parliament and who obviously knows better than anyone else all the details of his law, said: "Thursday we voted to discuss the law on introduction of the Power Bill on Friday, but we did not finish the discussion on the General Prosecutor's report and we did not take any decision on this question. According to the regulations, the discussion of a question cannot be postponed if no decision was taken."

Parliament Speaker Oleksandr Moroz, who can afford to sometimes ignore parliamentary regulations to meet the interests of the left, was cornered this time.

Before examining the problem of the Power Bill's introduction, let us pay attention to the reasons for changing the procedure of its adoption. Readers might remember that parliament postponed the bill for a "repeat second reading." This procedure could have allowed leftists to continue to gut the bill. This time, however, the Power Bill was adopted as a whole without discussing each article and by a simple majority mostly consisting of right- centrists. The procedure was changed due to a statement submitted to the parliament presidium by the Rukh, Reforms, Statehood and Unity factions.

The success of the right-centrist activity was caused by a real threat to deputies' jobs. During parliament's two-week break, Kuchma declared more than once his intention to conduct a referendum of confidence on the president and parliament if parliament refused to adopt the Power Bill. Kuchma's statements were supported by the television, which revealed results of an opinion poll carried out by the Socis-Gallup organization in cooperation with the Kiev Mohyla Academy. According to this research, 51 percent of the Ukrainian people support Kuchma and only 26 percent support Moroz.

That is why the right-centrists offered Kuchma a compromise: they agreed to change the procedure of the Power Bill's adoption on the condition that the two articles stipulating parliament's right to impeachment and the president's right to dismiss parliament be excluded from the bill. Kuchma accepted the compromise. Parliament, however, adopted an amendment initiated by Reforms leader Serhiy Soboliev barring the president from initiating a referendum on any question other than the approval of a new constitution.

As far as the referendum on confidence in the president and parliament is concerned, President Kuchma is unlikely to have enough courage to conduct it because, according to legislation, if the president does not receive the support of 51 percent of electorate, he should resign. And the results of the poll made public on television can hardly be considered a guarantee of Kuchma's success. One can remember the situation with similar research conducted before last year's presidential election. At that time, well-known sociologist Volodymyr Khmelko, displaying figures, kept on insisting that "Leonid Kravchuk will win the election." Kuchma is unlikely to have forgotten it.

Kuchma has received a desirable advantage: his Power Bill was finally adopted. And he has two ways to put it into effect. The first way is to conduct a plebiscite. But here it is worth of notice that Ukraine does not have a legal mechanism on plebiscites. Presidential press secretary Mykhailo Doroshenko, however, said: "The presidential team will adopt such a mechanism, if need be." Hence, it will be a political decision, but not a legal one.

The second way is to conclude an agreement on the Power Bill between the president and the part of parliament that supports the Bill. In this case there exists the following possibility: Right after the Power Bill was confirmed by parliament, Serhiy Holovatiy, chairman of the Ukrainian Legal Foundation, went to Venice to participate in a session of the Council of Europe's [CE] Committee for Constitutional Process. Holovatiy supposes the CE representatives will send the necessary signals that the agreement between the president and right-centrists is legitimate. Kuchma's final decision and the future situation in parliament may mostly depend on what Holovatiy brings back from Venice.

Holovatiy plans to return to Kiev before the next parliamentary session.

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Kuchma Security Adviser on Passing of Power Bill

WS2205134195 Kiev VYBIR in English 1150 GMT 22 May 95

[Interview with Volodymyr Horbulin, Ukrainian president's national security adviser, by UPressA; place and date not given; from the "Ukrainian News" feature No. 20, 22 May 95]

[FBIS Transcribed Text] [UPressA] How do you see the parliament ratifying this version of the power bill?

[Horbulin] The parliament has apparently taken a big step forward. The new law offers actual opportunities for joint work between the president and the parliament. There emerged constructive forces in parliament who, after the two corrections had been introduced, saw that their future as lawmakers was bleak. This made it possible to put an end to the endless talk in parliament and to empower the president to form the government. This political gesture demonstrated the appearance of a constructive majority in the parliament.

[UPressA] What do you think is the president's biggest victory in the newly ratified law?

[Horbulin] The president's biggest victory lies in the fact that he has been given the right to form the vertical structures of executive authority, and most importantly, the government itself. As for the drawbacks — well, I think that both the president and parliament must find a way to influence one another. We know of such a form of mutual influence, when parliaments were given the right to impeach their presidents, and presidents to disband their parliaments. The lawmakers have deleted these articles from the law. We live in a society where the most critical situations should not be ruled out. Therefore, disbanding the parliament and impeaching the president can only be considered together.

[UPressA] How does the president benefit from the new law?

[Horbulin] It's his ability to begin by forming a new government, and to end by forming the local bodies of authority. The law has been actually approved, but it is not constitutional. Even though debates are still in progress, I do not think that it will become one, ever. But I do think that this is not the main thing now. From now on, all decisions on appointing the cabinet or local authorities will be in the form of presidential decrees. To cancel them, the parliament will have to veto them. But you can take my word for it: It is not the most effective way to organize parliamentary work.

[UPressA] Thanks for your time.

Kuchma Urged To Put Constitution, Power Law To Vote

WS2205111395 Lvov MOLODA HALYCHYNA in Ukrainian 11 May 95 p 1

[Report by Oleh Pelikhovskyy on news conference held by People's Deputies Stetskiv and Koliushko in Lvov; date not given: "In May, Ukraine May Give Birth..."]

[FBIS Translated Text] **At a news conference that was recently held in Lvov, Ukrainian Deputies Taras Stetskiv and Ihor Koliushko, members of the public association "New Wage" and the legislative faction "Reforms," intended to present to journalists their understanding of the situation that has taken shape in our state today. The main topic of the meeting, however, was a momentous, the journalists said, issue for Ukraine — the Law on Power, on which the Supreme Council has recently been working.**

This issue is momentous, Taras Stetskiv explained right away, because its resolution will determine the direction in which Ukraine will be moving and what types of state governing it will adopt.

This is when we come to realize the tactical victory of [Ukrainian Supreme Council Chairman] Moroz, representing the parliament's left wing, that succeeded in its efforts to get the parliament to debate and vote on this draft law on an item-by-item basis. With this kind of debate, we will "sink" this law. In addition, no one should be misled by the fact that it was supposedly adopted in the second reading. On the contrary — more than half of its clauses have been voted down. We are now faced with a tough reality: If parliament continues to discuss this law, the next session devoted to this issue will not be convened before June, at best, and the following one before September.

Anyway, the law has already been watered down. We can straightforwardly state that the offensive, launched by the president and his team as long ago as last December by submitting the Law on Power for approval in its first reading, has been quenched.

Given the above, People's Deputy Stetskiv stated that there are several ways out of this situation. Depending on which of them will be selected, we could predict Ukraine's development for the next three to five years.

So, the debates on the Law on Power are most likely to go on for a long time yet. President Kuchma and noncommunist Supreme Council factions will hardly accept this.

Here is another point. The Ukrainian president proposed in mid- April that (in case the power law is rejected) a referendum on confidence in him personally and the

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Supreme Council be staged in May. The legislative faction "Reforms," however, considers this referendum senseless and even harmful, because none of those branches of power will receive enough confidence.

According to the third option (by the way, supported by some deputies), the president and Supreme Council deputies should sign a constitutional agreement. Such an agreement, however, could only come into force after it is signed by Leonid Kuchma and 204 deputies, which is a very difficult task to do. Moreover, the above agreement will work to the advantage of Moroz, because it will be some time before all signatures are collected, and the speaker will use it to exert a negative influence on this initiative.

This is why the following scenario should be embraced (and it is favored by some of the "Reform" faction deputies, along with Stetsko) — the president promptly puts the text of the Ukrainian constitution to a referendum. The main reason for this move would be to receive a legitimate foundation for further ruling, and the second reason — to be faster than Moroz, who is going to get parliament to initiate a nationwide discussion of the text of the basic law which is now being prepared by the Supreme Council's left wing.

So, provided Kuchma does eventually make a decision in favor of the referendum, we will obtain several considerable advantages: Ukraine will finally have its own constitution (people will vote for it, because their mentality will tell them this, Taras Stetskiv believes), making its admission to the European Council more probable and the influx of foreign investments into its economy more substantial. Finally, based on the will of people, Leonid Kuchma will be able to carry out radical — even with a authoritarian flavor — pro-reform policies and strengthen the national security of our state.

At the same time, should the Supreme Council question the results of such a referendum, this would mean that it questions the people's will. This, in turn, would present the president with an opportunity to dissolve parliament.

This being said, Ukraine may give birth in May to a decision as to where it should be headed.

Ihor Koliushko voiced more or less the same opinion. In his opinion, however, a more acceptable and compromising outcome would be if the president put to vote not the text of the constitution itself, but the Law on Power. After all, it is already possible to arrange with eight legislative factions (except for the Communists and Socialists) for the required 204 votes, or to ram such a presidential edict through the legislature.

As for the constitution, it should be remembered, the deputy emphasized, that it should contain Chapter 1, which specifies the rights of citizens. And here is where the Communists and Socialists will fervently press for including the right to work in this chapter, but, of course, without any idea of how to ensure it.

Leftist Majority Not Likely To Allow Power Bill Passage

WS2205112495 Kiev INTELNEWS in English 0246 GMT 20 May 95

[Report by Oksana Hasiuk and Halia Pavliva]

[FBIS Transcribed Text] Kiev, May 19 — Parliament's leftist majority is not likely to allow the passage of the law deemed necessary before President Leonid Kuchma's power bill, which was approved by a simple majority of the Rada [Supreme Council] on Wednesday, can be put into effect, according to a representative of the Communist Party.

Communist Kateryna Samoilyk said parliament already made too big a compromise when it gave the bill the nod. "The law on implementation of power bill, which is likely not to be passed, will only create further controversies in the legal field of Ukraine," Samoilyk told INTELNEWS.

Communists, according to Samoilyk, recognize only the Constitution as the basic law of the land. "We will see in the future that passing the power bill will cause very bad aftereffects in Ukraine," she said.

The bill, which would have eliminated all 56 Constitutional articles with which the power bill is in conflict, was not even discussed as scheduled on Friday.

According to Vasyl Durdynets, who heads the Conciliatory Committee, articles of the Kuchma law which would eliminate local government councils contradict the Constitution currently in effect. Durdynets and his committee had proposed passage of a law by a constitutional majority of 300 out of the 405 members of parliament in order to implement the Kuchma bill, while arguing that each article to be stricken from the Ukrainian Constitution would require only a simple majority.

Clearly understanding the poor odds of obtaining a constitutional majority, right-wingers and centrists in parliament are pegging their remaining hopes on the signing of some kind of power-sharing "treaty" between representatives of Ukraine's executive and legislative branches of power.

Representatives of eight parliamentary factions, excluding the Communists and Socialists, have taken part in consultations involving such an agreement.

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Valeriy Cherep, a member of parliament's Presidium, said it "would be enough if the agreement were supported by a simple parliamentary majority."

According to Cherep, the law designed to implement the Kuchma power bill, which is likely to be debated again when parliament reconvenes on Tuesday, will not be passed. After that, he said, presidential supporters in parliament will use this chance to put the power bill into effect through agreement between parliament and the president. The agreement will stay in effect until a new constitution is approved. "I talked to presidential representatives recently and they agreed with the idea of an agreement," Cherep said.

Serhiy Teleshyn, the head of presidential administration's Division on Domestic Political Issues, said Friday that "the Constitutional Agreement is initiated by parliament but not the presidential administration." According to Teleshyn, "the main goal of the agreement is to obtain a constitutional majority during the voting on the power bill."

The agreement will be open for anybody to sign at any time in the future, he said. "The agreement will show us who is who," he said, adding that the document "will define the special people in parliament with whom we can cooperate."

"Our main goal for now is a power bill," Teleshyn stressed.

Analyst Views Details of Power Bill Adoption

WS2205143095 Kiev VYBIR in English
1150 GMT 22 May 95

[Commentary by Viktor Tkachuk: "Power Bill Endorsed: President Wins This Game"; from the "Ukrainian News" feature No. 20 22 May 95]

[FBIS Transcribed Text] The Verkhovna Rada [Supreme Council] of Ukraine adopted the Law On Power... by 224 votes. The bill was first tabled by President Kuchma on December 29, 1994. This norm-setting document gives new rights to the executive and legislative branches in Ukraine and delimits their spheres of control. However, since it was first heard in parliament, this law, being of principal importance to the state system of Ukraine, has undergone tangible transformations. In particular, two of the four provisos causing the hottest of parliamentary debates, were eventually deleted.

The MP's refused to authorize the president to disband the parliament if the Cabinet's program has been twice rejected. At the same time, the Verkhovna Rada was denied the right to impeach the president.

The Verkhovna Rada refused to authorize the president to appoint the Procurator General of Ukraine, which post will be the parliament's prerogative.

However, the president did receive additional powers, primarily in terms of strengthening his rule beyond Kiev's borders. Under the law, he is now in control of the Executive Committee of the Councils of People's Deputies. From now on they will be known as State Administrations, and they will no longer be subordinated to the bodies of self-administration (e.g., councils in the administrative oblasts, rayons, cities, and settlements). Previously, three years after the collapse of the Soviet Union and the liquidation of Soviet rule in Ukraine, bodies of the Radas of People's Deputies (otherwise known as bodies of self-administration) were within their right to suspend the effect of governmental and presidential decrees within the territory of their jurisdiction.

The president was given the right to single-handedly form the Cabinet of Ministers of Ukraine and the law has relieved him of the need to agree with the parliament the appointment of the prime minister and heads of the most important ministries and committees. Under the Constitution, the Verkhovna Rada also approved, as submitted by the president, the ministers of defense, the interior, finance, foreign affairs, and justice.

However, the 224 votes with which the power bill was ratified do not suffice for the provisos of the new law to be entered into the Constitution. In other words, a paradox has appeared where a law passed by a nonconstitutional majority of MP's runs counter to the existing Constitution. Under the circumstances, the Conciliatory Commission which had worked on the bill proposed to adopt another law which would give the norms of the power bill constitutional strength. The issue was adjourned till the next week.

Valeriy Cherep, People's Deputy of the group Center, says that, even if the parliament refuses to give the Law On Power constitutional strength, it will remain effective. "To this end, the president should sign a Constitutional Agreement with a group of more than 204 MP's (i.e., one half of the parliament's membership)," he offers, "in which case the shortcomings of the present Constitution would allow this majority to adopt ad interim constitutional provisions."

The Chairman of the Conciliatory Commission which worked on the power bill and consisted of both MP's and representatives of the Presidential Administration agrees with his colleague, Cherep. Mr. Durdynets thinks that the Constitutional Agreement will be signed shortly.

However, the biggest surprise was that the power bill was indeed supported by a majority in parliament. The

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thing is that the Communist, Socialist, and Agrarian blocs spoke against it on more than one occasion, so the results of the vote testify to a certain degree of discord in the ranks of the left opposition. Among those who voted for the bill are the names of MP's from the left-wing factions. Vasyl Durdynets is convinced that what happened was the result of the Conciliatory Commission's explanatory work. "We received almost 1,000 proposals from the MP's," he says, "and 162 of them were supported in full, 263 partially, while the rest were discussed and rejected."

Volodymyr Horbulin, president's national security adviser, secretary of the National Security Council, is even more frank: "The adoption of the bill shows the presence of constructive forces in parliament who, after the two corrections had been introduced, saw that their future as deputies was bleak, and so they chose to let the president form the government." By the two corrections Mr. Horbulin means the refusal to give the president the right to disband parliament, and the right to appoint the Procurator General. Still, it remains anyone's guess exactly what this man, known for his influence on the president, meant when he spoke about the deputies seeing their political future as "bleak".

It looks as if a part of the MP's voted for the power bill, wary of the results of a referendum which the president had promised to initiate, to see exactly how much they were trusted by the people. And after a similar referendum in Belarus empowered the president to unseat the parliament, the latter's Ukrainian counterparts didn't stand a big chance of seeing better results in their own country. Chairman of the Verkhovna Rada Oleksandr Moroz, speaking prior to the adoption of the power bill, stressed that at the moment it would be dangerous to hold a referendum to check the nation's trust in the powers-that-be.

Unexpected as it may seem, the assumption that some of the MP's voted for the power bill because they weren't sure what the results of a referendum would be, is corroborated by their decision to reduce the number of issues that could be put up for the referendum. And, by the way, precisely this proviso of the power bill gave rise to no differences between the parliament and the president, not until the referendum in Belarus. As of now, such a referendum can be held only in regard to the adoption of separate norms of the Constitution, or of the Constitution as a whole.

Without doubt, the president has won this game against the parliament. Debates on the power bill went too far, so the only way out was either to ratify it or vote it down. If the latter had been the case, the president would have lost face and his relations with parliament would enter a critical phase. As for the denial of the president's right to disband the Verkhovna Rada, it can hardly be called a partial failure, because even if he had been given this right and if he had used it, given the present economic crisis, a new parliament would not have been likely to show any better results. On the other hand, after receiving such tangible powers under the new law, the president now has not only the leverage to help economic reforms, but also the responsibility for their future and their consequences in Ukraine.

Tsekov: Major Clash if Crimean Parliament Dissolved

BR2205134595 Rome L'UNITA in Italian 22 May 95 p 12

[Interview with Crimean Parliament Speaker Sergei Tsekov by Maddalena Tulanti in Simferopol; date not given: "'This Land is a Colony; Kiev Is Riding Roughshod Over Our Rights'"; first paragraph is L'UNITA introduction]

[FBIS Translated Text] The only remaining legitimate power in the Crimea is in the hands of an inconspicuous-looking, slightly built 41-year-old surgeon, Sergei Tsekov, the speaker in the peninsula's 98-strong parliament. He received us in a room that is practically identical to that of the head of state, the deposed Yuriy Meshkov, but relations with the latter are far from friendly. Not even the Ukrainian parliament's conjuring trick wiping out the Crimean Constitution, which has to all intents and purposes stripped both of them of their powers, has brought them closer together. The quarrel goes back to last year, when, as in all former USSR countries, the conflict between the presidency and parliament broke out in Crimea as well. The ill-feeling between Tsekov and Meshkov runs even deeper because they are both members of the same Republican Party, which is now split. Like Meshkov, Tsekov takes a soft approach, does not indulge in angry outbursts, and does not call for mass revolt. He says plainly that he is seeking an honorable compromise that will go some way toward meeting both Ukrainian and Crimean needs. He rejects the word "war" with horror.

[Tulanti] What is Crimea today, Mr. Speaker?

[Tsekov] It is a colony. It no longer has a president, we no longer have a government, the deputies are in danger of no longer being recognized, we no longer have a police force or a judiciary, and there are 68,000 Ukrainian troops on our land. Kiev has reduced us to a level lower than that of any region, and without reason, because all we want is respect for the Russians in Crimea; no one has any designs on Ukrainian territorial integrity. In order to respect Russians' rights, we need

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our own government, because Kiev cannot decide what happens in Crimea at the moment. I am referring to the great campaign to privatize the former USSR's seaside properties. They constitute one of Crimea's most mouth-watering morsels, and we do not want them to end up on just anyone's plate.

[Tulanti] You Crimeans seemed more extremist in 1992: You were talking about separation...

[Tsekov] Yes, but it seemed realistic three years ago. Now, our only aim is to obtain autonomy within Ukraine, in other words, we are merely calling for our specificity to be acknowledged. It does not strike me as an excessive demand. There is no dispute over separation, merely over the distribution of power.

[Tulanti] What if no compromise were possible? What would the Crimeans be prepared to do?

[Tsekov] It is Kiev that is in a position of strength, but why should the strongest always win, and not those who are in the right? The overwhelming majority of Crimeans, and I stress the overwhelming majority, do not want war because they know it would mean suicide for Crimea and its neighboring countries. Nevertheless, there is a group of desperadoes who are pushing for a drastic solution. In this event, at least two states, Russia and Ukraine, and probably a third, Turkey, would be involved. And it would all happen on our territory. No, we cannot afford a war.

[Tulanti] Do you feel somewhat abandoned by Russia?

[Tsekov] Yes. I am a Crimean. My ancestors settled here at the end of the 18th century, and I feel Russian. We have been ill- treated in the whole of the former USSR, not just here.

[Tulanti] Why is Russia no longer helping you?

[Tsekov] Its domestic and external situation does not allow it to. As soon as it makes a move, they accuse it of imperialist intrigue...

[Tulanti] Do the questions in the referendum that you intend to put to the Crimeans not strike you as a provocatione?

[Tsekov] Why should they? We are asking people if they agree with the Ukrainian parliament's act that wipes out our Constitution, if they want Crimea to be an autonomous republic within Ukraine, and if they are in favor of a single political and economic area taking in Belarus, Russia, and Ukraine. It is right for the people to decide, do you not think? However, there will perhaps be only two questions, the ones on autonomy, while the last one, the one on the Slav economic and political community, will probably be canceled.

[Tulanti] What will happen over the next few days?

[Tsekov] We will hold the referendum on the Constitution and the vote on the economic area, though it will be difficult. I no longer have the right to go on television, parliament has not yet resumed sitting, and our press is on the verge of bankruptcy. My trip to Russia and my address to the Duma mainly served the purpose of giving me a platform from which to set out our position.

[Tulanti] Nevertheless, the Crimean parliament is not united...

[Tsekov] The deputies are under immense pressure, it is true. There are even attempts to corrupt them, and sometimes they are successful. But in the end, the fact of belonging to the same nation will win the day.

[Tulanti] Your parliament is in danger of dissolution. Does that frighten you?

[Tsekov] If it happens, it will be an illegal act, but we are not supplying Kiev with any pretext to do so. I repeat that we are not secessionists, and Kuchma knows this. If he dissolves our parliament, he will have to answer to the world for his actions.

[Tulanti] Could the same thing happen as happened in Moscow in October 1993, with the tanks besieging your White House?

[Tsekov] We do not rule it out, but it would be war: There are desperadoes among the deputies as well, and they cannot wait to start fighting. But it would be a disaster...

[Tulanti] Are you armed?

[Tsekov] No, neither I nor the others are armed, and there are no armed bands like in Chechnya. If someone loses his head, it will be Russia that comes out fighting, because its fleet is here. And I repeat that it will not be a "minor" clash: It can only be a "major" one.

Crimean Presidium Wants Referendum Rescinded

LD2205192995 Kiev UNIAN in Ukrainian 1830 GMT 22 May 95

[FBIS Translated Text] Simferopol — The Crimean Supreme Council presidium adopted a resolution on 22 May "On proposals for regulating the political and legal situation in Crimea," which proposes that the Crimean Supreme Council should rescind its resolution "On holding a referendum on the Constitution of the Republic of Crimea" and work "toward bringing Crimean legislation into line with current Ukrainian legislation."

The Crimean Supreme Council presidium proposes that the Ukrainian Parliament should:

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repeal the Ukrainian law "On the Autonomous Republic of Crimea" dated 17 March 1995, implement a Ukrainian law "On the delimitation of powers between Ukrainian and Crimean state authorities" of the version from 20 June 1992 and restore the Constitution of the Republic of Crimea while suspending those articles that contravene the Ukrainian Constitution and the Ukrainian law "On the delimitation of powers..."

adopt a resolution on invalidating the Ukrainian presidential decree of 31 March 1995 and thus restore the Crimean Supreme Council's controlling functions over the executive authorities.

On 23 May a delegation from the Crimean Supreme Council presidium consisting of Volodymyr Klychnykov, Mykhaylo Bystrov, Yuriy Pidkopayev, and Borys Kyrylov will depart for Kiev in order to continue the talks with the Ukrainian parliamentarians and present to them the document that had been drawn up by the Crimean Supreme Council presidium.

Pilot Project Viewed for Sea-Based Launchpad

WS2305064095 Lvov POST-POSTUP in Ukrainian 12-18 May 95 p 3

[Report by Anatoliy Khorunzhyy and Taras Smakula: "Rocket Launches From the Black Sea Would Cost $20 Million"]

[FBIS Translated Text] The Design-and-Research Center for Shipbuilding in Mykolayyv has completed work on a pilot project [avanproekt] and has begun to develop a preliminary plan [eskiznyy proekt] for a specialized floating-platform, from which rockets could be launched into space from the Black Sea. If things run smoothly, Ukraine will be able to launch its first satellites or missiles from its own launchpad as early as 1998. It is worth noting that the state will begin to turn a profit with the launching of the seventh rocket, while the launching of the first five or six spacecraft will cover the set-up costs. Serhiy Kryvko, chief designer of a design-engineering group, agreed to provide a detailed commentary on this subject to POST-POSTUP.

In theory, it is possible to build a national rocket-launch site somewhere in the Dunay River marshland, from where rockets could be launched with a trajectory toward Batumi and the rocket stages could fall into the Black Sea. This option, however, is too expensive, and in addition, it is not completely safe. A sea-based launchpad is much cheaper and does not require additional communication lines or infrastructure. All the necessary things will be on board.

As a result, Ukraine, in addition to meeting its national needs, will be able to organize the launching of commercial satellites for other countries. Therefore, some five or six launchings will compensate for the expenditures on the construction of a sea-based platform, and subsequent launchings will reap net profits. The estimated price of the project stands at $20 million. This is, however, only a preliminary figure.

Ukraine has all the necessary science-production potential to construct a sea-based launchpad. Even though it is a design center — the Shipbuilding Center in Mykolayyv — it has never done any work in the space sector before, but it does has expertise in developing numerous military missile-armed ships, in particular, Slava-class missile cruisers. Mykolayyv- and Sevastopol-based science-production organizations, a Black Sea shipbuilding factory, the "Pivdenne" Design Office in Dnepropetrovsk, the "Khartron" Association in Kharkov, and the Kharkov-based Scientific and Research Institute of Missile Engineering will also participate in the implementation of the "marine" part of the project.

Rumors about utilizing the unfinished Varyag cruiser are unfounded. Such a cruiser would not prove suitable for a sea-based launchpad Perhaps a sea-based launchpad will become part of a general rocket launching and tracking center. Ukraine's National Space Agency will have to adopt a relevant decision on the issue.

By the way, Ukraine's project is not unique in the world. Italy, for example, has the "San Marco" sea-based launchpad It, however, differs from its Ukrainian counterpart in various parameters. Design engineers have also taken into consideration the environmental safety of the sea and ocean. For example, the utilization of "clean" solid-fuel rockets, as well as SS-24 missiles, deprived of their nuclear warheads, is also envisaged.

Economic Issues

Economic Performance, Industrial Output Detailed

WS2205133995 Kharkov VREMYA in Russian 13 May 95 p 1

[Report by N. Shekhovtsova: "The Owner Has Been Replaced. What Is the Result?" — first paragraph is VREMYA introduction]

[FBIS Translated Text] **Are we still moving toward a market economy along civilized lines? The economic results of the first quarter of this year provide us — to some extent — with an answer.**

These data show that the denationalization of industrial enterprises' property is continuing. The share of industrial output produced by state-owned enterprises

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decreased from 62 percent in the first quarter 1994 to 43 percent this year.

As of the end of the first quarter of 1995, 297 enterprises operated in the nonstate industrial sector: 41 of them — leaseholders (14 percent) and 196 — stockholders (66 percent).

The stockholders' share within overall nonstate sector output increased from 29 percent to 86 percent, compared with the first quarter of 1994.

Thirty-three industrial enterprises are the property of labor collectives. They have produced goods worth 655 billion karbovantsi [K], or 2.7 percent of nonstate sector production output.

How efficient are market-oriented enterprises? In other words, was there any need to make all that fuss?

According to statistics, leaseholders were most efficient. Moreover, they have increased their production output. It has been increased by 4.6 percent — or by K87 billion — compared with the first quarter of 1994. With regard to enterprises with a collective form of ownership, their output has decreased by 25 percent. State-owned industrial enterprises have also reduced their output by 16 percent, among them municipal-ownership businesses — by over 40 percent.

As of 1 April of this year, 233 retail-trade enterprises, 54 public-catering enterprises, nine wholesale-trade enterprises, and 150 consumer-services enterprises were privatized. The replacement of an owner in this sector, however, has not yet led to the improvement of the level and quality of services for the people.

The process of establishing farms in rural areas slowed somewhat this year. Whereas 52 farms were organized in the first quarter of 1994, 32 farms were set up in 1995. The majority of farms operate in Bogodukhovskiy Rayon — 119, Kharkovskiy Rayon — 91, Bliznyukovskiy Rayon — 68, and Sakhnovshchinskiy Rayon — 66.

Foreign trade turnover in Kharkov Oblast — in the first quarter of this year — amounted to $89.1 million, including exports — $52.2 million and imports — $36.9 million, which triggered the positive balance worth $15.3 million.

The countries of the former USSR account for 86 percent of this turnover: Exports exceed imports by $12.5 million.

Economic relations were maintained with all countries of the former USSR and 40 other countries. Russia accounts for the greatest share in foreign-trade balance of the oblast — 73.5 percent, Belarus — 5.4 percent, Turkmenistan — 2.2 percent.

Over the same period of time, trade turnover with other countries totalled $12.8 million: It is known that exports exceeded imports by $2.8 million. Bulgaria, Germany, and Italy became our most active foreign-trade partners.

A characteristic sign of foreign trade — in the first quarter of this year — was the increase in barter deals, the share of which stands at 37 percent of total exports (compared with 36 percent in the first quarter of 1994), which did not encourage the attraction of funds to hard-currency accounts of enterprises and organizations, and, subsequently, to the oblast budget.

Transition to Regional Workday Schedules Explained

WS2305093995 Kiev KYYIVSKA PRAVDA in Ukrainian 18 May 95 p 1

[Commentary by Yu. Severynov, head of the State Committee for Standardization, Meteorology, and Certification: "We Will Be Waking Up Earlier" — first paragraph is KYYIVSKA PRAVDA introduction]

[FBIS Translated Text] Our country is situated in the center of Europe, which places it in the second time zone. The territory of Ukraine is so large that the amount of daylight is substantially different in its various regions. This fact causes many inconveniences for many of those regions. One of them is that the workday begins and ends according to the time in Kiev. **Yu. Severynov, head of the State Committee for Standardization, Meteorology, and Certification and head of the state commission for uniform time and standard frequencies**, will now be talking about introducing regional work schedules throughout the country.

Our commission has been carefully studying work schedules in different regions of Ukraine for a long time. Following this study, we have come up with recommendations that have been relayed to the government. The Ukrainian president issued an edict saying that beginning 1 July 1995, new regional work schedules for organizations, enterprises, and institutions will be introduced across Ukraine, and relevant ministries and institutions are obliged to promote their implementation.

What prompted this measure? For example, in easternmost Luhansk Oblast, the sun rises at 0712 [0512 GMT in winter] on the shortest day of the year, and one hour later in the Trans-Carpathian region. Nonetheless, the workday starts and ends at the same time in all of Ukraine.

Based on the [above] study, it has now been found expedient to divide the territory of Ukraine into three regions, taking into consideration local conditions to

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ensure efficient use of the working day. For example, in the eastern part — Donetsk, Luhansk, Kharkov, Zaporizhzhya, Dnepropetrovsk Oblasts — the workday should start at 0700 national Kiev Time. This means it will start 15 minutes before sunrise on the shortest day of the year.

The western region comprises eight oblasts: Lvov, Ivano-Frankivsk, Trans-Carpathian, Chernivtsi, Rovno, Volyn, Ternopil, and Khmelnytskyy Oblasts. It has been recommended that the workday here begin at 0800 Kiev Time.

The central region consists of 11 oblasts and the Crimean Autonomous Republic. It has been decided to set the beginning of the workday at 0730 for most of the working teams here.

The recommended changes to the workday schedule should be approved by oblast executive committees, which will also be entitled to change traffic schedules, etc.

Regional workday schedules will be valid permanently and regardless of transitions to summer or winter times. It is expected that they will help reduce overloads in the national energy supply system and promote the efficient use of daylight.

Status of Oil Refining Business Viewed

WS2305094195 Kiev INTELNEWS in English 0045 GMT 23 May 95

[Report by Fedir Storozhenko]

[FBIS Transcribed Text] When the Soviet Union existed, oil flowed from Russia, Ukrainian oil refineries worked at full capacity and gas cost pennies per liter.

But black gold no longer paves the way between Russia and Ukraine. Faced with its own oil crisis, Russia now mostly keeps its oil supplies while a few Ukrainian refineries manage to secure small deliveries, often through bartering oil for services. The price of gas is still reasonable as private oil businesses cut their own deals but a Ukrainian industry continues to wither.

UkrNaftaKhimPererobka manages Ukraine's oil refining industry. Its structure includes six plants in Kremenchuk , Kherson, Odessa, Drohobych, Nadvirna and Lisichansk. It has a total annual production capacity of more than 62 million tons of oil. Nevertheless, Ukraine has to import up to 45 million tons of oil each year to meet its minimum oil need.

For the last four years Ukrainian oil refining plants reduced their output from 53.8 million tons in 1991 (including 4.1 million tons of Ukrainian oil) to 19.1 million tons in 1994 (including 3.3 million tons of Ukrainian oil). Part of 1994's Ukrainian oil refining output included 3.1 million tons of gasoline, 5 million tons of diesel fuel, 8.1 million tons of black fuel oil, 0.4 million tons of oil bitumen and 0.2 million tons of oil.

Ukrainian oil refining plants worked at less than 15 percent capacity during the first quarter of this year. According to UkrNaftaKhimPererobka, during that time they received 2.6 million tons of oil, including 1.8 million tons of oil in a barter deal. During the first quarter of 1994 they received 3.3 million tons of oil.

Plants do not pay for oil shipped on a barter basis from Russia and Kazakhstan. Oil owners pay for refining services in hard currency, oil or oil products, while most of the oil is returned to the owner. Ukrainian oil refining plants can't afford purchasing oil because they no longer have enough money.

In one barter deal, the state Oil and Gas Industry Committee decided to take the finished products from the Lisichansk plant without permission of its owners, promising to return oil products. Such a decision does not follow a February Cabinet of Minister's order that guarantees oil owners to their finished products.

The Lisichansk plant owes about 500,000 tons of oil products to oil suppliers resulting from barter deals, according to UkrNaftaKhimPererobka data. The plant can not pay off the debts or return finished products in the near future because since November it almost stopped work when other raw materials barter deals fell through.

"We have to refuse one-time, small deliveries of raw oil because it is inefficient to refine a shipment of less then half a million tons with a plant's 24-hour refining capacity of 60,000 tons," said Serhiy Klytynskiy, Lisichansk plant deputy director.

The effectiveness of RUNO, a trans-national Russian-Ukrainian oil association co-founded by the Lisichansk plant, turned out to be very low. Originally, Russian oil producers, principally LUKOIL, were supposed to supply up to 8 million tons of oil to the Lisichansk plant in 1995.

Representatives of the plant and of UkrNaftaKhimPererobka continue negotiations with the Russian Fuel and Energy Engineering Ministry on supplying Russian oil to Ukraine and to Lisichansk. But negotiations are still fruitless because Russia is not going to allocate credits to a Ukrainian industry while its own oil refining industry is in deep crisis.

The Ukrainian Government agreed in January with Russia to supply approximately 16 million tons of Russian oil to Ukrainian oil refining plants in 1995.

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According to a preliminary agreement, one ton of oil costs US$100. Seven million tons of oil from western Siberia deposits will be supplied as payment for Ukrainian experts' work in exploring the deposits. But in another deal, oil from eastern Siberia never arrived this year because the state budget did not allocate enough money to Ukrainian plants.

By its order issued in January, the Ukrainian Government ordered UkrAgroTekhService corporation to supply 4.6 million tons of oil under clearing and barter agreements. According to UkrNaftaKhimPererobka, by the beginning of April, Tatarstan supplied about 300,000 tons of oil to the Kremenchuk plant in compliance with such agreements. In accordance with the same order, UkrResursy state stock company should supply 4.6 million tons of Russian oil in compliance with the interstate agreement. But this oil was not delivered because UkrResursy rejected it, saying the price of the oil was too high.

Meanwhile, Russia liberalized its oil exports. Since January the price for Russian oil never cost less than US$104 per ton. Since the second quarter, Russia plans to increase the price for oil exported to Ukraine. Russia also reserves the right to change once a month the price of oil to Ukraine in compliance with changes in its excise duty that now equal ECU23 (US$28) per ton. To date, none out of 450 commercial contracts between non-state Russian firms and Ukrainian oil refining plants on refining 100 million tons of oil was carried out because of the high price for oil imported from Russia.

Ukraine risks becoming a market for imported oil products because the price for oil in Russia is about US$54 per ton. Belarus oil products that Ukraine gets from Russia without paying excise duty according to an inter-governmental agreement are also cheaper than that of Ukrainian oil. The total annual capacity of two Belarus oil refining plants is 38 million tons.

Only the Kremenchuk plant still gets oil from Tatarstan deposits under the international agreement on oil supply. The plant was the only Ukrainian oil refining plant to be supplied with oil in the first quarter, operating at 60 to 70 percent of maximum capacity.

Today Ukraine is discussing an option of creating UkrTatNafta, a Ukrainian-Tatarstan joint venture with the Kremenchuk plant representing Ukraine. The company is supposed to supply about 8 million tons of oil in 1995.

"UkrTatNafta will not own oil," said Volodymyr Matytsyn, the Kremenchuk-based plant's general director. "It will be cheap because it will be export tax-exempt. Today we have an abundance of oil products that are more expensive than that of Russia and Belarus."

The annual capacity of the Kremenchuk oil refining plant is 18.6 million tons of oil. Currently, the plant operates at half of its capacity. Ten percent of the oil it refines is from Ukraine.

Meanwhile, Ukraine started exploring for its own oil and gas deposits with foreign experience and investments. In particular, Ukraine created joint ventures with OTM, Ukren-Oil and Laslo, Canadian companies. Two British companies, Western Geophysical and J. P. Kenny Exploration & Production Ltd., are now prospecting Ukrainian oil and gas deposits.

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Belarus

President Appoints Prosecutor in Parliament's Absence

LD2205182395 Moscow INTERFAX in English 1633 GMT 22 May 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Alyaksandr Lukashenka signed a decree today dismissing Vasiliy Sholodonov as the Belarusian Prosecutor General on his own request.

The president appointed Vasiliy Kapitan as the new Prosecutor General. Kapitan earlier was the head of the Belarusian Prosecutor's Office Organization and Technique Department.

Sholodonov told Interfax that he had to resign because of his "physical and moral exhaustion because of large quantities of work and the tense election campaign."

Sholodonov is running for parliamentary elections. During the first round of the elections he failed to canvass enough votes to be elected but he received enough votes to qualify for the second round.

A source close to the Belarusian president said in early May that Sholodonov had made known to Lukashenka his intention to resign on his own request. According to the same source, at the time the president's inspection services had information alleging that the prosecutor general had illegally privatized two flats — for himself and for his son. Sholodonov was also blamed for the lack of sufficient control over adoption of Belarusian children by foreigners.

When asked if the dismissal of the prosecutor general whose appointment was confirmed by the parliament by a presidential decree was valid, Sholodonov said the procedure for dismissing the prosecutor general had not yet been determined by legislation. The former parliament completed its work and the next parliament has not yet been formed. So, Sholodonov applied for resignation to the president.

Sholodonov said he believed that he did not have the moral right to remain the prosecutor general if Belarusian voters denied confidence to him and did not elect him to the parliament. He said he hoped not to stay unemployed if he was not elected an MP. Sholodonov said he had enough experience of work in the Prosecutor's Office and in the parliament to hope so.

Sholodonov said he had coordinated his resignation with the president who told him that "a job will turn out for the prosecutor general."

General Prosecutor's Ouster 'Unlawful'

WS2305082795 Minsk BELAPAN in English 0700 GMT 23 May 95

[FBIS Transcribed Text] Commenting on the dismissal of the Attorney General Vasil Shaladonaw, the chairman of the parliamentary committee for legislation Dzmitriy Bulakhaw noted that according to the Belarusian Constitution the Supreme Soviet has the exclusive right to appoint to the post of Attorney General and dismiss from it. Not voicing his own opinion about this event Mr. Bulakhaw confirmed the unlawfulness of the president's move.

Aide Proposes Karatchenya for Prime Minister

WS2205143995 Minsk BELAPAN in English 1230 GMT 22 May 95

[FBIS Transcribed Text] According to information received, a consultative meeting took place between a representative of the Presidential administration and the CIS Executive Secretary Ivan Karatchenya who was elected MP of the new Supreme Soviet in the first round on May 14, 1995. The President's representative proposed that Mr. Karatchenya should be at the head of the Belarusian parliament. Ivan Karatchenya promised to think over the proposal. However, as a BELAPAN correspondent was informed at the CIS Headquarters, Mr. Karatchenya is prone to decline the proposal as he considers it necessary to continue exerting his efforts in the post of CIS Executive Secretary where he acquired his image and extensive work experience.

Paznyak Admits 'Defeat,' Views Party Standing

WS2205144995 Minsk BELAPAN in English 1230 GMT 22 May 95

[FBIS Transcribed Text] "The results of the first round of the elections to the Supreme Soviet and especially those of the national referendum is evidence of a formal defeat of the Popular Front [BPF]," the chairman of the Council of the Belarusian Popular Front Zyanon Paznyak declared on May 21 at the last sitting of the BPF Council. Out of 254 nominees only 44 went through into the second round. Mr. Paznyak pointed out that at the moment at least 20 percent of Belarusians firmly back up the idea of national rebirth propagated by the Front, however on the eve of the elections most citizens, especially village people, found themselves under the pressure of official propaganda. The activity of local organisations of the BPF was defined by Mr.

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Paznyak as one of the main reasons for the defeat. While the Minsk organisation of the Front and its parliamentary faction have a very good standing, the regional structures of the BPF could not oppose the authorities because their social position fully depends on local nomenklatura. The situation on the eve of the second round, in Mr. Paznyak's opinion, cannot radically change. In the first instance the BPF should not allow the results of the elections to be falsified. In order to mitigate pressure upon democratic candidates BPF representatives should establish wider contacts with local authorities. It was also pointed out that the strengthening of local structures is one of the essential conditions for favourable results in elections.

Popular Front Says 'Pro-Communist Regime' Emerging

WS2305082695 Minsk BELAPAN in English 0700 GMT 23 May 95

[FBIS Transcribed Text] "The first round of the elections is evidence of the continuation of the communist putsch which started on April 12," a statement which was made by the BPF [Belarusian Popular Front] Council at its last sitting reads. Pointing out that the first round of the elections "was held in the conditions of strict monopoly of the presidential power to the electronic mass media, the press, and the direct misinformation of the population," the Council holds that "Belarus is losing a democratic future, and that "an authoritarian pro-communist regime is shaping". The BPF Party urges all democratic forces "to establish close control in the second round in order not to allow the forces to advance candidates from the 'vertical,' the old communist party nomenklatura and communists." The BPF calls upon to vote only for the candidates who uphold the independence of Belarus and democracy.

Opposition Parties Agree On Second Round Strategy

WS2205144695 Minsk BELAPAN in English 1230 GMT 22 May 95

[FBIS Transcribed Text] According to information received, last weekend the member parties of the democratic bloc — the Belarusian Popular Front [BPF], the Belarusian Social-Democratic Hramada [Assembly], the Belarusian Peasant Party, the National Democratic Party of Belarus, and the Belarusian Christian-Democratic Unity — held talks to determine upon a course of action on the eve of the second round of parliamentary elections. According to the chairman of the Belarusian Popular Front Zyanon Paznyak, the partners agreed with the position of the BPF not to support any representatives of anti-Belarusian forces (nomenklatura, communists) in the second round. The member parties of the bloc came to an agreement about possible support to certain candidates. At the same time, in Mr. Paznyak's opinion, "it is inadmissible to declare support to the so-called independent candidates" because the BPF "once burnt its fingers" when it supported, for instance, Uladzimir Hrybanaw, or Viktar Hanchar in the elections to the Supreme Soviet in 1990.

BNF, Bank Head, Shushkevich on Elections

WS2305082295 Minsk SVABODA in Belarusian 19 May 95 p 2

[Commentaries by Belarusian Popular Front Chairman Zyanon Paznyak, former Supreme Soviet Chairman Stanislaw Shushkevich, National Bank Chairman Stanislaw Bahdankevich, and Halina Lukashenka, wife of Belarusian President Alyaksandr Lukashenka: "The Ballots Were Cast. What Next?"]

[FBIS Translated Text]

Zyanon Paznyak:

Preliminary reports received by us testify to the fact that the vote results, in both the parliamentary elections and referendum, were falsified in the provinces and the countryside. Nomenklatura, "vertical-structure" communists, and kolkhoz managers held everything in their grip there. Belarusian Popular Front [BNF] official observers were prevented by force (including by police) from overseeing the voting. Since early in the morning, members of electoral commissions with polling boxes visited village inhabitants. Sometimes it turned out that their boxes contained more ballots than those at the polling stations. It is worth noting that everything was correct with those ballots as compared to many mistakes made by voters filling in their ballots at the polling stations. There was virtually no secret balloting. In fact, less than 50 percent of voters participated in the elections in almost all constituencies. The [official] turnout was the result of false ballots placed in "movable" polling boxes.

One person casting several votes was also a violation of the election law observed on a mass scale; there were reported cases of influencing voters' decision and campaigning at the polling stations on the part of nomenklatura.

In Minsk, where the election oversight was better organized, the elections proved invalid in nine constituencies. In other constituencies, the turnout stood at 52 percent. None of the four referendum questions were supported by more than 40 percent of the registered voters.

However, the main violation of the referendum was in the fact that the voting was held under circumstances

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of rigid monopoly and control over the media by the president and his team. People were offered only official information, campaign appeals, and propaganda issued by this team. People were misinformed and deprived of the possibility to choose on their own. The Constitution, the law, and human rights have been violated. All this casts doubt on both the results and legitimacy of the referendum.

I think that any normal, non-nomenklatura parliament will return to this referendum and all violations committed from the very beginning. I will recall that the referendum questions were introduced contrary to the Constitution and the law on referendum. After they have been voted down by the Supreme Soviet on 11 April, the president brought armed troops to the parliament, which resorted to physical violence to pacify the BNF opposition deputies. The referendum questions were supported under pressure exerted by the putschists.

The first round of elections and the referendum clearly testified that an authoritarian power takeover (more precisely, a coup d'etat), which was initiated by the presidential putsch on 12 April 1995, is continuing. Those people have trampled on the law and morals, pushing their way by any means.

This, as we see, gives rise to many questions connected with the Criminal Code. Regarding the essence of these processes, I must note that they would not be so dangerous if they only reflected the goals and events of our domestic policy. However, things developing in Belarus reflect the foreign (and, to a large extent, secret) policies of Russia's imperial circles. In essence, an intensive cold war is being successfully waged against Belarus. A war against a blinded society. War is war. It observes neither rights, nor laws, nor morals. We are living through one stage of this war.

Stanislaw Shushkevich: This Is Horrible, But Not for Long

In an interview with a SVABODA correspondent, [former Supreme Soviet Chairman] Stanislaw Shushkevich assessed the referendum results as "horrible." In his opinion, "they will have a heavy impact on Belarus, the formation of Belarusian statehood, as well as the revival of Belarusian culture and the truth about Belarusian history. People, deeply afflicted by Communist rule, do not always understand what they do."

What can be done by the presidential administration right now? Shushkevich believes that "the administration is unable to do anything in the economy. This team has no education in either history or economics. It does not know what to do and performs unsystematically, therefore it is incapable of halting the slump in production. I do not expect any improvement."

Stanislaw Shushkevich thinks that, given the current situation, "the democrats must be wiser. Many calling themselves democrats hold a very peculiar view of democracy. I would not like to reproach the BNF at this difficult moment, but this situation may force the BNF to admit that it has often behaved unreasonably. I think that the democrats should analyze what has happened. It is necessary to end wrestling with each other and to delve into the most essential difficulties of the democratic forces."

Speaking about the change of state symbols, Shushkevich noted: "We lived with Soviet symbols for 75 years, so we will manage to live with them a little longer. We have lived through the referendum on the preservation of the USSR, so we will also live through this one. The results will be the same, too. Finally, the people's consciousness will rise. A new generation is growing, which will find the historic truth and the sources, which help them to learn and understand this truth. Therefore, I think that this will not last for long."

Stanislaw Bahdankevich:

It was clear that the parliament would not be elected in the first round. Now, however, it is difficult to say whether it will be elected in the second round, as well.

I never expected that the referendum would produce such results... I thought that people would adopt a more considerate resolution regarding the referendum questions. My hopes were not justified. Our people are apparently like our president.

Halina Lukashenka:

In a telephone interview with a SVABODA correspondent, Halina Radzivonawna [Lukashenka, wife of the president] said that she had voted against the proposal to grant equal status to the Russian language. According to her, it is a pity that so many people supported the Russian language. Nevertheless, in her opinion, the Belarusian language will not perish. "The mother tongue will live forever. I believe in this," the president's wife said.

Army Said To Be Reduced to 80-90,000 in Two Years

WS2205145995 Minsk BELAPAN in English 1230 GMT 22 May 95

[FBIS Transcribed Text] At present the Belarusian Armed Forces numbers 96 thousand people, including 23 thousand officers and 12 thousand warrant officers.

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According to data from the Ministry of Defence, by the end of this year it is planned to reduce about 2.5 thousand officer positions, and in two years to bring the strength of the Belarusian Army up to 80-90 thousand people. At the same time there are approximately 2.5 thousand officer vacancies. They are to be filled by newly-fledged lieutenants who will graduate from Belarusian and CIS higher military schools.

Moldova

Lebed Hopes Moscow Will Cancel Reorganization

LD2205184295 Moscow ITAR-TASS in English 1754 GMT 22 May 95

[By Valeriy Demidetskiy]

[FBIS Transcribed Text] KISHINEV, May 22 (Itar-Tass) — "I hope the leadership of Russia will hear the voice of the State Duma and cancel its decision to reorganise the 14th army, which will behead it and lead to a new war in the Dniester region," Lieutenant-General Aleksandr Lebed, commander of the 14th Russian army in the break-away Dniester region of Moldova, said.

In an interview with Itar-Tass before his departure for Moscow on Monday, Lebed said his removal is unlikely and denied reports that he intends to turn to politics and join State Duma Chairman Ivan Rybkin's centre-left electoral bloc.

Lebed will fly to Moscow today to attend Duma hearings on his army's fate and the Dniester conflict settlement scheduled for May 23. He was invited to attend the hearings by Rybkin.

Lebed was very skeptical about the optimism of Joseph Pressel, U.S. State Department coordinator for regional problems in the new independent states, who said during his recent visit to Moldova that the Dniester conflict may be resolved within the next 18 months.

The Yugoslav crisis has shown that the United States, the United Nations and other international organisations cannot help if the warring sides refuse to compromise, Lebed said.

In his view, Dniester region leader Igor Smirnov has lost control of the situation and neither he nor Moldova President Mircea Snegur will be able to resolve the Dniester conflict. This will require new leaders and new approaches, he added.

Lebed will fly to Moscow together with a Duma delegation that was in Tiraspol on a three-day visit to study the situation on the ground ahead of parliamentary debates, delegation head Konstantin Zatulin, chairman of the Duma Committee for CIS Affairs and Relations with Compatriots, told Itar-Tass in an exclusive interview today.

Summing up the results of the visit, Zatulin said "It is necessary to show common sense in settling the Dniester conflict and withdrawing the 14th army. Otherwise, this region may become another example, after Chechnya, when piles of weapons left behind in haste and hurry begin to fire."

"We heard the leadership of Moldova, the Dniester region and the command of the 14th army. The points of view differ considerably. But despite this all understand that the Russian army led by General Aleksandr Lebed controls the excessive stockpiles of weapons which may become a destabilising factor if we lose control over them," he said.

Zatulin praised the position of Moldovan Prime Minister Andrei Sangheli who met Russian deputies earlier today. "The Prime Minister believes that General Lebed and the banner (of the army) should be the last to leave the Dniester region, after resolving all problems connected with these weapons," he said.

In his meeting with the Russian deputies on Sunday, Lebed confirmed his disagreement with the Defence Ministry's decision to reorganise the army command, saying that this will "behead" it, enable mafia-like paramilitary structures, such as Ukraine's UNSA-UNSO, to get hold of the army's weapons and will eventually lead to a new war in the region.

"I am not clutching at this post and ready to leave (Defence Minister) Pavel Grachev's army right now, but I have not found a person yet who would take the burden of responsibility for the lives of people of this region," Lebed said.

State Duma Official Welcomes Reorganization

AU2205133395 Chisinau BASAPRESS in English 1920 GMT 20 May 95

[FBIS Transcribed Text] Chisinau, BASAPRESS, 20/5/1995 — "I welcome the 14th Army's reorganization into peace-keeping forces," Konstantin Zatulin, head of the Russian State Duma committee for CIS and relations with fellow-countrymen, stated at the Chisinau Airport. Zaturlin heads a Russian parliamentary delegation visiting Moldova before the debates of the 14th Army and Dniester conflict settlement in the State Duma. The delegation will meet with Moldovan officials and Dniester leaders. It will also visit the 14th Army military depositories. The delegation comprises representatives of the majority of parliamentary factions. Zatulin said in his opinion "the 14th Army is already performing the role of a peace keeper force in Dniester." He also said

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the shares General Lebed's fears that the 14th Army reorganization will have negative repercussions on the stability in Dniester.

Russian State Duma Urged To Ratify Withdrawal

LD2205142395 Moscow INTERFAX in English 1229 GMT 22 May 95

[FBIS Transcribed Text] CHISINAU, May 22 (Interfax) — The Moldovan authorities have urged the Russian State Duma to ratify the bilateral agreement on the withdrawal of the 14th Russian army stationed in the Dniester region.

The agreement signed last October provides for the pullout of the army during a three year period after its ratification. Moldova has ratified it already.

The Moldovan Foreign Minister Mikhail Popov declared that nobody in his country has given reason to think that after the departure of the army the Moldovan side will begin a war against the Dniester region. "We have always declared our willingness to resolve the Dniester problem by peaceful, political means," the minister said at a Monday meeting with a Duma delegation led by the Chairman of the Committee for CIS Affairs Konstantin Zatulin.

The delegation is on a three day visit to Moldova in view of the Tuesday parliamentary hearings on the state of the 14th army and prospects of settlement in the Dniester region.

Popov said that Moldova's attitude to the 14th army stems from the constitution that does not imply the presence of foreign troops in the territory of the country.

He spoke for the withdrawal of the army only after the removal of its weaponry and recognized that its commander Lieutenant-General Aleksandr Lebed is a guarantor of the preservation of army arsenals.

Popov stressed that under the withdrawal agreement Moldova does not claim any arms or ammunition. Only 35% of the army real estate is to be returned to Moldova. The rest remains at the disposal of the Russian side.

In Zatulin's opinion the withdrawal agreement has not been ratified by the Duma because the question of the transit of arms and ammunition across Ukrainian territory remains open.

Sangheli Confident of Dniester Settlement

LD2205174695 Moscow INTERFAX in English 1522 GMT 22 May 95

[FBIS Transcribed Text] CHISINAU, May 22 (Interfax) — Moldovan Prime Minister Andrei Sangheli has described the meeting between Moldovan President Mircea Snegur and Transdniester leader Igor Smirnov scheduled for June 7 as a new phase of the Moldova-Transdniester negotiation process. He made this statement at his meeting with a State Duma delegation headed by the chairman of the parliamentary committee for CIS affairs and relations with compatriots, Konstantin Zatulin, in Chisinau Monday [22 May].

Sangeli disagreed with Zatulin as saying that the efficiency of Transdniester talks was lower this year. "It is just delays in its implementation sometimes caused by fluctuations of the political climate in Russia," he remarked.

On behalf of the whole Moldovan leadership, Sangheli said it supported the efforts applied by the commander of the 14th Army, General Aleksandr Lebed, to stabilize the situation in Transdniester and asked not to remove him from the post. "General Lebed, as few people, is familiar with the situation in the region. He fulfills his duty and we appreciate him for this," he added.

Sangheli was confident that the Transdniester issue will be solved. "As for the future of the 14th Army, though an agreement on its withdrawal was signed by Moldova and Russia, unfortunately there still is no mechanism for its implementation," he remarked. Sangheli said the State Duma hearings "on the 14th Army's situation, conditions and prospects Tuesday will be constructive and reasonable."

After the meeting, Zatulin told Interfax that his delegation was fully satisfied with the meeting. He was confident that State Duma deputies will show the common sense Tuesday and take into account the existing realities. "We sincerely support the Transdniester conflict's going into the past," Zatulin said.

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Kazakhstan

Nazarbayev Not To Attend 26 May CIS Summit

LD2305075995 Moscow ITAR-TASS in English 0649 GMT 23 May 95

[FBIS Transcribed Text] Almaty, May 23 (ITAR-TASS) — Kazakh President Nursultan Nazarbayev will not attend (due to cold) a regular summit of the Commonwealth of Independent States to be held in Minsk on May 26, the Kazakh president's press service reported on Tuesday. The republican delegation at the Commonwealth meeting will be led by Kazakh Vice-President Erik Asanbayev.

According to earlier reports, Georgian leader Eduard Shevardnadze will not attend the Minsk summit either, since festivities devoted to Independence Day will be held in Georgia on May 26.

Defense Minister Says Russian Base To Close

LD2205134595 Almaty Kazakh Television First Program Network in Kazakh 1100 GMT 22 May 95

[FBIS Translated Text] Defense Minister General Sagadat Nurmagambetov paid a working visit to Turgay region. Our correspondent reports on this:

[Unidentified correspondent] The main aim of his visit is to familiarize himself with the situation at the [Russian Federation armed forces] military base in Derzhavinsk. In this connection we asked our defense minister, Sagadat Nurmagambetov, about the prospects for this Russian military unit? [video cuts to show Nurmagambetov standing near a helicopter]

[Nurmagambetov] This is a Russian military base. It will not be here next year — by the end of the next year. Now we are thinking about what to do with the military cantonment, how to maintain it, and how to use it. We are here to solve this problem. It is not easy. We must think it over.

[Correspondent] During his working visit, Defense Minister Sagadat Nurmagambetov was accompanied by Zhakan Kosabayev, head of the [Turgay] regional administration.

Agreement Reached With Germany on Credits

LD2205152795 Almaty Kazakh Television First Program Network in Russian 1100 GMT 22 May 95

[FBIS Translated Text] A framework agreement on financial cooperation was signed today between the Kazakh Government and the German Government.

[Unidentified correspondent] The matter concerns about 55 million German marks [DM] which the Government of Germany has allocated to Kazakhstan: last year DM15 million, and now another DM40 million. The larger part of this sum — DM37 million — will be spent on developing the construction materials industry. The remaining DM3 million will be spent on developing the republic's railroad system.

The agreement was signed from the German side by [Eike] Bracklo, German ambassador extraordinary and plenipotentiary to Kazakhstan, and from Kazakhstan by Marat Ospanov, chairman of the Committee for Use of Foreign Capital at the republic's Cabinet of Ministers.

In their speeches, they stressed the importance of German-Kazakh cooperation, their mutual interest in it, and also their readiness to further develop financial and economic links between the two countries.

[Begin recording] [Correspondent] This agreement which was signed today is your first in your new post. We hope it will not be the last.

[Ospanov] I also hope not. Moreover, the process of attracting foreign investments today must gain new relevance, new impulse. Today, we have over one billion [currency not specified] in so-called technical assistance, and about one and half billion in export credits. I think that another one and half to two billion should enter our economy, taking into account the recent visit by our president to the Republic of Korea. [end recording]

Communist Receives Warning Over May Day Rally

LD2305084695 Almaty Kazakh Television First Program Network in Russian 1400 GMT 22 May 95

[FBIS Translated Text] The news agency KAZAKHSTAN TODAY reports that (Madel Ismailov), first secretary of the Almaty Regional Committee of the Communist Party of Kazakhstan, was tried by the Sovetskiy district court of Almaty on a charge of organizing a May Day demonstration and an unsanctioned rally at the monument to V.I. Lenin. In court, the defendant denied organizing the rally, and expressed indignation that such a question should be posed. According to the defendant himself, Judge (Amanbayeva) attempted from the very beginning — and I quote — to drive the case along an accusatory path.

(Lidiya Mazhukhina), Mr. (Ismailov's) lawyer, told a correspondent of the KAZAKHSTAN TODAY news agency that the communist was tried for his political convictions, and not for any specific breach of the law.

As a result, the Ismailov case was halted for the completely strange reason that the breach of the law was insignificant. The court also restricted itself to a verbal warning.

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Kyrgyzstan

Assembly Calls on PRC To End Nuclear Testing

LD2305083995 Moscow ITAR-TASS in English 0749 GMT 23 May 95

[By Boris Mainayev]

[FBIS Transcribed Text] Bishkek, May 23 (ITAR-TASS) — The Legislative Assembly of Kyrgyzstan's parliament has called on the Government of China to put an end to nuclear testing. The address adopted by the standing house of the republic's parliament was published here today.

The chamber expressed profound concern over the continuing nuclear weapon tests and stressed that "China's ignoring the will of the nations of the world can have a negative effect on prospects for talks on nuclear test ban.

"The last nuclear test which took place at the Lob-Nor testing range on May 15, 1995 confirms the Chinese leadership's reluctance to heed the public protest in the neighbouring countries and is not conducive to building confidence and security in the Central Asian region," the statement says.

Kyrgyzstan's Legislative Assembly expressed confidence that "China's renunciation of carrying on its programmes in the nuclear sphere would be a favourable influence on the process of renouncing nuclear arms and facilitate the strengthening of stability and security in the whole world".

Kyrgyzstan, a country with a population of four million, is worried by reports about nuclear testing in China with which the republic has an extensive land border. Specialists of the Bishkek branch of the Nevada-Semipalatinsk movement report that "the magnitude of the radioactive background on Kyrgyz territory increases abruptly on the third or fourth day after each nuclear test in China and there have been fall-outs of products contained in the nuclear charges".

According to Kyrgyz physicians, incidents of respiratory diseases in children and old people in Kyrgyzstan shows a marked growth every time China carries out a nuclear test.

Explosions in China have a pronounced adverse effect on the environment in Kyrgyzstan, according to the overwhelming majority of those polled in the republic. A week after China exploded its nuclear device on May 15, the cloudless sky over Kyrgyzstan was unexpectedly overcast and a cool weather, unusual at this time of year, set in.

For this reason, the entire population of Kyrgyzstan fully approves the Statement of the republic's lawmakers and the address of Kyrgyzstan's non-governmental women's organisations urging China to put an end to nuclear testing "for the sake of health of all children and future generations".

India Seen as Potential Customer for Electricity

LD2305104395 Bishkek Krygyz Television Network in Russian 1430 GMT 22 May 95

[FBIS Translated Text] Today, Prime Minister Apas Dzhumagulov received Mr. Mukhija, the Indian ambassador extraordinary and plenipotentiary to Kyrgyzstan.

[Unidentified correspondent] During the meeting, both sides exchanged greetings and expressed their hopes for fruitful and successful work. An official visit by the Indian prime minister to our republic is being planned, the aim of which is to sign a number of agreements. At the moment, an agreement in the fields of science, technology, and tourism is being formulated at government level, as well as an agreement between the two ministries of the interior on fighting drug trafficking.

One of the main issues discussed at the meeting between Apas Dzhumagulov and Mr. Mukhija was an agreement on a credit line, which needs to be resolved as soon as possible. Mr. Mukhija gave a briefing on the political and economic state of affairs in India. At present, India needs electricity, particularly in the north, and Kyrgyzstan has the possibility of exporting electrical power. Similar agreements have already been concluded with Pakistan, China, Iran, and other states. In June this year, a seminar will be held in India in which a delegation from the republic will participate. The main issue at the seminar will be the use of electrical power.

President Rejects Referendum on Extending Term

LD2205115395 Moscow Mayak Radio Network in Russian 1100 GMT 22 May 95

[FBIS Translated Text] Kyrgyz President Askar Akayev will not be holding a referendum on the issue of extending his term in office until the year 2000, his press service told journalists in Bishkek on Monday. Akayev replied in the negative on the numerous occasions this question was put during his visit to Osh Region during the weekend. Akayev believes the most important task at hand, I quote, is to carry out land reform, agricultural work, and to continue work aimed at transforming the economy, as planned.

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Taxes Reduced for Firms With Foreign Credits

LD2305095895 Bishkek Kyrgyz Radio First Program Network in Russian 0500 GMT 23 May 95

[FBIS Translated Text] Our republic's government has adopted a resolution to reduce the rate of state tax under notarial certification of a mortgage agreement in order to successfully implement a credit line for supporting private entrepreneurship within the framework of interstate agreements and financial cooperation between the government of the Kyrgyz Republic and other governments.

From now on, the size of the state tax for those who have received credits in 1995 will be set at less than that of last year, and amounts to 1 percent of the sum of the agreement, but not less than 50 soms.

Control over the implementation of this resolution has been entrusted to the general directorship of the State Commission on Foreign Investments and Economic Assistance.

Tajikistan

Inter-Tajik Talks Start in Almaty 22 May

LD2205192095 Moscow Radio Rossii Network in Russian 1800 GMT 22 May 95

[FBIS Translated Text] On Monday in Almaty the fourth round of the inter-Tajik talks on national reconciliation started under the aegis of the United Nations. From Almaty our correspondent Andrey Kondrashov reports:

[Kondrashov] The decision to hold the next round of talks in Almaty was taken during the recent Moscow consultations by the Tajik sides. The Tajik Government delegation is led by First Deputy Prime Minister Mahmadsaid Ubaydullayev, and the opposition is represented by Akbar Turadzhonzoda, first deputy chairman of the Islamic Rebirth Movement of Tajikistan.

Opening the first plenary session, the UN secretary general's special envoy stressed that the Security Council had voiced concern at the actions of both sides, which had hampered the process of reconciliation in the past three months. In the opinion of the UN representative, the main task of the fourth round of inter-Tajik dialogue consisted of working out principles for fulfilling the conditions already reached at the previous rounds.

However, according to the opposition's statement the circle of problems should be extremely specific. The first that needed to be discussed in Almaty was questions concerning the new Tajik Constitution, Turadzhonzoda stressed.

He went on to say that the question of the transitional period in the republic brooked no delay. The opposition is also in a mood to work for the agreement of the Government of Tajikistan on the subject of the participation of all political forces in working out the electoral legislation and organization of democratic elections.

At the talks the further role of the United Nations in resolving the enumerated problems has to be defined. The opposition representatives who are present intend to insist on the introduction of blue helmets into the republic of not less than 2,000 in strength. Half of them should constitute people from Russia, Otakhon Latifi said in an interview to the Radio Rossii news service. In the opinion of deputy head of the opposition delegation such action by the United Nations, I quote, will kill two birds with one stone. First, it will restore peace in Tajikistan, taking into account the rights of the peacemakers to tough measures, and second, it will remove from Russia suspicion of imperial tactics.

The fourth round of the inter-Tajik talks are expected to take 10 days but after the first plenary session the UN secretary general's special envoy called on the participants to refrain from improvised statements for the press in order not to undermine, I quote, the progress of the talks.

UN Mediator Comments on Talks

LD2305070095 Moscow ITAR-TASS in English 0631 GMT 23 May 95

[FBIS Transcribed Text] Almaty, May 23 (ITAR-TASS) — The U.N. Security Council and the entire international community stress the dire need for settling the inter-Tajik conflict only by peaceful and political means on the basis of mutual concessions and compromises, U.N. mediator Ramiro Piriz Ballon said here on Monday, opening the fourth round of the inter-Tajik talks in the Kazakh capital Almaty.

The meeting between Tajik President Emomali Rakhmanov and leader of the Tajik movement of Islamic revival Sayed Abdullo Nuri, which was recently held in Kabul, was a positive event in this context.

Piriz Ballon noted at the same time that the Security Council expressed concern in its statement of May 19 over actions by the two sides during the last three months, which created difficulties in the way of the peace process.

The Tajik government delegation is led by first vice-premier Mahmadsaid Ubaydullayev, while the delegation of the opposition — by first deputy chairman of

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the Tajik Movement of Islamic Revival Hodzhi Akbar Turadzhonzoda.

The talks started without his participation: he is to come to Almaty only this Tuesday.

The discussions are held behind closed doors. However, ITAR-TASS learnt from reliable sources in the Kazakh capital that it is planned to discuss the Tajik constitutional system and formation of a coalition government.

Speaking at the talks, Kazakh Foreign Minister Qasymzhomart Toqayev wished success to the Tajik sides in achieving peace and national accord on their soil. In the minister's opinion, the sides should put an end, above all, to the escalation of hostilities.

An end to the conflict in Tajikistan can be achieved only through a dialogue and national reconciliation, Toqayev stressed.

Possible Uzbek, Kazakhstan Withdrawal Viewed

LD2205170495 Moscow INTERFAX in English 1522 GMT 22 May 95

[FBIS Transcribed Text] Dushanbe, May 22 (INTERFAX) — The statement made by Kazakh and Uzbek presidents Nursultan Nazarbayev and Islam Karimov that Dushanbe does not do enough to have the Tajik conflict settled caused surprise in the Tajik ruling circles. Davlatali Davlatov, press secretary of the Tajik president, told journalists in Dushanbe Monday.

He added that the Tajik leaders are also surprised by the statement made by Nazarbayev and Karimov in Almaty on May 20 that their countries may pull out their military units in the CIS peace force that protects the Tajik-Afghan border.

Davlatov said that important international organizations and leaders of numerous CIS member states welcomed the results of the meeting in Kabul between Tajik President Emomali Rakhmanov and Sayed Abdullo Nuri, chairman of the opposition Islamic Revival Movement of Tajikistan.

According to Davlatov, the Tajik leaders make significant steps to resolve the conflict and the results of the Kabul talks reflect this.

Asked by INTERFAX what the Dushanbe authorities think of the setting up of a Central Asian Union by Kazakhstan, Uzbekistan and Kyrgyzstan, Davlatov emphasized that the Tajik leaders support inter-state unions brought together by international norms rather than by ethnic or religious ties.

Tajik Field Commander Defends CIS Forces Commander

LD2205161195 Moscow Russian Television Network in Russian 0730 GMT 22 May 95

[From the "Vesti" newscast]

[FBIS Translated Text] The sniper's sudden shot or the behind-the-scenes schemes of politicians, the wrong decision, or the badly executed report — these are things capable of upsetting a man's whole future. That is what almost happened to General Patrikeyev in Tajikistan — or in Moscow, rather, because the general's affairs in Tajikistan were all in order. It was an ordinary working day, 12 April. Just another hard working day. Then suddenly out of the blue of a Tajik sky came a TV news report about the removal of Patrikeyev from the command of the collective peacekeeping forces. Television ducks fly far and deliver a sharp bite. It was a low thing to do. What a pity that a man whose credentials are respected by every Tajik whatever their political beliefs was hit like this.

[Begin recording] [Mukhabbatov, field commander leading Tajik opposition fighters in Vanch District, shown seated at a table in civilian dress] I can say quite frankly that the peacekeeping forces do a great deal to help the people and they are impartial about whom they help — they help everyone living on the territory of Tajikistan. On behalf of myself and my people I would like to say that we are very grateful to the peacekeeping forces, and to commander Patrikeyev in particular. We would like to see Patrikeyev staying on a bit longer here. I heard that his tour of duty was up. Well, I hope that that is not true. I would hope that Patrikeyev stays here for another year at least. This is a man who wants to see peace in Tajikistan.

[Unidentified correspondent] Are you certain that the next round of the talks between the various sides will be successful this time?

[Mukhabbatov] From my point of view I think so. Why? Because everyone including both the opposition and the government and their respective supporters has understood that at the end of the day all wars are brought to an end by negotiations. I am certain that people will come to the conclusion this time around that the longer the war goes on the worse it will be for the people. [end recording]

President Rahmonov Receives Aga Khan 23 May

LD2305095595 Dushanbe Radio Tajikistan Network in Tajik 0800 GMT 23 May 95

[FBIS Translated Text] Today, President Imomali Rahmonov received Aga Khan IV, the leader of the world

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Ismailis. They exchanged views mainly on the development of cooperation between the Aga Khan's Fund and the Republic of Tajikistan, on the established basis.

Imomali Rahmonov expressed gratitude to Aga Khan IV for his extremely generous assistance to the people of the republic. He stressed that the people of the Republic of Tajikistan will never forget those who gave a helping hand in these difficult days.

In turn, Aga Khan IV said that Tajikistan is in his good graces. All the assistance that is being delivered is accompanied by good faith and benevolence.

In the afternoon, the Aga Khan will have a meeting with Jamshed Karimov, prime minister of the country. Tomorrow, the Aga Khan is expected to meet the Ismailis of the republic at the Frunze stadium in the capital.

Decree Nationalizes Power, Gas Supply Lines

LD2305085095 Moscow ITAR-TASS in English 0745 GMT 23 May 95

[FBIS Transcribed Text] DUSHANBE, May 23 (ITAR-TASS) — On Monday evening [22 May] President of Tajikistan Emomali Rakhmanov issued a decree on the nationalization of all segments of power lines and main gas pipelines laid across the Republic's territory. These measures will help strengthen the Tajik economy, the document emphasised.

ITAR-TASS was told in the Government of Tajikistan that neighbouring Uzbekistan supplies power and gas by these lines to the Ferghana valley. Charges for using these sectors for supplying gas to Tajikistan will considerably exceed the price of the gas produced in Uzbekistan.

Independent observers surmise that the official wording of the Presidential Decree also carries political implications. Lately a political cold spell has been observed in relations between Tajikistan and Uzbekistan.

Uzbekistan

Pakistani Prime Minister Arrives in Tashkent

LD2205130595 Tashkent Radio Mashal in Uzbek 1000 GMT 22 May 95

[FBIS Translated Excerpt] Pakistani Prime Minister Benazir Bhutto has begun her official visit to our country. An honor guard for the guest was arranged at Tashkent airport, which was adorned with the flags of the two countries. After Prime Minister Benazir Bhutto descended from the plane, the president of our country [Islam Karimov] and his wife came to greet her. [passage omitted]

One-on-one talks between Uzbekistan's President Islam Karimov and Pakistan's Prime Minister Benazir Bhutto took place at the Dormon residence.

At this point we should mention the members of the Pakistani delegation. The leaders of a number of Pakistani ministries, businessmen, the heads of well-known large firms and companies, as well as more than 20 journalists from various information agencies make up the delegation. While the high-level negotiations were under way, negotiations took place at ministries, departments, and concerns between representatives of the business circles of the two countries.

This afternoon, Prime Minister Benazir Bhutto, accompanied by Prime Minister Abdulhashim Mutalov, is to visit the memorial to the great thinker, well-known to the Pakistani people, the king of poetry Alisher Navoy, to lay flowers.

Negotiations with a fuller complement, involving President of Uzbekistan Islam Karimov and Prime Minister of the Islamic Republic of Pakistan Benazir Bhutto, are to be held at the Palace of the Friendship of the Peoples in Tashkent. It is planned after the negotiations to sign mutually beneficial documents.

It is also envisioned that President Islam Karimov and Prime Minister Benazir Bhutto will hold a news conference with representatives of the foreign media and those of our republic. The official visit of Pakistan's Prime Minister Benazir Bhutto to our country is continuing.

Bhutto's Talks With Karimov Reported

BK2205135695 Islamabad PTV Television Network in English 1300 GMT 22 May 95

[FBIS Transcribed Text] Prime Minister Benazir Bhutto has held wide-ranging talks in Tashkent with President Islam Karimov on the latest international situation, issues, and expansion of economic cooperation between the two countries. The two leaders are understood to have discussed economic and trade relations. The talks were held in a very cordial atmosphere.

PTV correspondent M.Z. Sohail understands that Prime Minister Benazir Bhutto briefed the Uzbek president about the latest situation in occupied Kashmir, particularly the situation arising out of the Indian atrocities in Charar Sharif. At the talks Prime Minister Benazir Bhutto was assisted by Foreign Minister Sardar Asif Ahmad Ali, Minister for Commerce Chaudhary Ahmad Mukhkar, Minister for Interior Nasirullah Khan Babar, and the special assistant to the prime minister, Mr. Shahid Hussain Khan. President Islam Karimov was assisted by the two deputy prime ministers,

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Mr. Sultanov and Mr. Yunusov, and the foreign minister, Mr. Abdulaziz Kamilov. Earlier, Prime Minister Benazir Bhutto and the Uzbek president held a one-to-one meeting which lasted 30 minutes. Our correspondent Javed Ali says the two leaders are understood to have exchanged views on ways to identify all areas of cooperation to further increase and diversify economic cooperation.

Cooperation Accords Signed

LD2205182295 Tashkent Uzbekistan Television in Russian 1430 GMT 22 May 95

[FBIS Translated Excerpt] Today Pakistani Prime Minister Benazir Bhutto began an official visit to our country. [passage omitted]

In the afternoon, negotiations were held at the Palace of Friendship of the Peoples between the official delegations of Uzbekistan and Pakistan .

The sides studied the cooperation gained during the development of bilateral relations since the independence of Uzbekistan.

New projects were planned. They are reflected in a package of inter-government documents signed after the official negotiations. Uzbke President Islam Karimov and Pakistani Prime Minister Benazir Bhutto made short statements:

[Begin Karimov recording, in Russian] Today three agreements were signed, above all an agreement on avoiding double taxation, an agreement on cooperation in the spheres of science and technology, and an agreement on tourism. We have discussed a very wide range of questions with Mrs. Bhutto concerning our bilateral economic relations, issues of coordinating joint efforts on ensuring stability in this region, on eventually achieving peace and stability in Afghanistan, and on ensuring stability in Tajikistan. The initiative by Uzbekistan to organize and conduct a permanently operating seminar on ensuring stability in Central Asia received full approval. [end recording]

[Unidentified correspondent] Prime Minister Benazir Bhutto said: Because of my talks with President Karimov, I can now better evaluate the major economic and social changes taking place under his wise leadership. We highly regard the actions the president has begun aimed at strengthening Uzbekistan's sovereignty, independence, and national economy as well as the prosperity of his great people. We also support all Uzbekistan's efforts aimed at establishing peace and security in the region, including the offer to conduct a UN seminar in Tashkent on issues of regional security, stability, and cooperation.

The leaders of the two states answered questions put by local and foreign journalists.

Bhutto, Karimov Remarks Reported

BK2305055495 Islamabad Radio Pakistan Network in English 0300 GMT 23 May 95

[FBIS Transcribed Text] Pakistan and Uzbekistan have called for solving the Kashmir problem on the basis of UN Security Council resolutions to promote regional peace and stability. The two countries also expressed their desire for normalization of situation in Afghanistan and Tajikistan. Addressing a joint news conference after talks in Tashkent yesterday, Prime Minister Benazir Bhutto and President Islam Karimov held common views over the Kashmir problem and other regional issues.

Prime Minister Benazir Bhutto reiterated Pakistan's desire to resolve the Kashmir issue peacefully. She recalled the historic relations between the two countries and hoped that the agreements signed during her visit would further promote these ties. She appreciated the initiatives of President Karimov for economic development of Uzbekistan and supported his efforts for regional peace and security.

President Islam Karimov said Pakistan is third largest partner of Uzbekistan in the field of commerce. He said a large number of Pakistani firms have been functioning in Uzbekistan and more are coming in. Elaborating the agreement in the field of communications signed by the two countries, President Islam Karimov said it covered roads, railways, and contract for building internal infrastructure.

Prime Minister Benazir Bhutto has described a plebiscite under the UN supervision as the only solution of the Kashmir problem. Speaking at the banquet hosted by President Islam Karimov of Uzbekistan in Tashkent last night, she said any elections under the Indian supervision in the occupied Kashmir is nothing but a farce. The fate of any such elections shall not be different from those held since 1947. She said despite cosmetic attempts by India to hoodwink the international community, the situation in Jammu and Kashmir remains grave. She said the Kashmir dispute has held hostage two generations of Pakistanis, Indians, and Kashmiris and it must not be allowed to hold hostage a third generation. The prime minister described her talks with Uzbek president as constructive. She hoped that the process will gain momentum when President Islam Karimov visits Pakistan. She added that under his dynamic leadership, the people of Uzbekistan have achieved great progress. They, too, in Pakistan are on a journey of self-reliance and greater economic activity.

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Ms. Benazir Bhutto stressed for solving the disputes in Afghanistan and Tajikistan for the benefit of their people. She urged restraint for the [word indistinct] and supported the efforts of regional countries and the United Nations to promote peace in Tajikistan. The prime minister reaffirmed Pakistan's desire to build durable friendship and economic relations between the two people.

A six-day exhibition of Pakistani products began in Tashkent yesterday. It was jointly inaugurated by the deputy prime minister of Uzbekistan, Mr. Mirabror Usmanov, and Mr. Asif Ali Zardari, MNA [Member of National Assembly]. Speaking on the occasion, the Uzbek deputy prime minister said the exhibition will go a long way to increase economic relations between the two countries. He said Pakistan had been promoting relations with all the Central Asian countries, but Uzbeks wanted to develop special relations with Pakistan. Mr. Asif Ali Zardari hoped that the exhibition will help promote the existing relations between the two countries. He recalled that the two countries enjoy centuries-old cultural relations. Radio Pakistan's special representative, Zulfiqar Ali Jafari, reports from Tashkent that on the very first day the exhibition attracted a large number of visitors. As many as 100 firms are taking part in the exhibition to represent Pakistan's development in the industrial field.

Karimov, Bhutto Hold News Conference

BK2305093895 Islamabad THE NATION in English 23 May 95 pp 1, 17

[FBIS Transcribed Text] Tashkent (APP) — Pakistan and Uzbekistan called for the solution of the Kashmir issue through political dialogue under the United Nations auspices and the Security Council resolutions to promote peace and stability in the region as a whole.

This was stated by President Islam Karimov and Prime Minister Benazir Bhutto at a joint Press conference after lengthy talks at the Peoples Friendship palace here on Monday [22 May].

They first met without aides for an hour and were joined by them at a later stage.

Prime Minister Bhutto said that it was the matter of great satisfaction that their views coincided on matters of common concern and Pakistan was encouraged by the support extended by the Uzbek side. In one-to-one meeting, she added, they shared perception on global, regional and bilateral matters. She went on to say she also briefed the president on the grave situation created by the Indian excesses in the occupied Jammu and Kashmir.

She appreciated the point of view expressed by President Karimov in this respect. She added that Pakistan wanted to resolve the Kashmir issue peacefully.

President Karimov, to a question, said that he wanted to put the record straight. He had been misquoted by one of the Indian newspapers. He did not try to minimise the Kashmir issue. It was more important and he did not see it in the light of Indian point of view. Both the leaders said they were also anxious about the situation in Afghanistan and Tajikistan whose early solution was of equally importance to achieve the desired goal.

They said that their respective foreign ministers had signed three agreements as a result of talks agreement in the field of science and technology, development in the field of communication and avoidance of double taxation. They added these agreements would deepen and broaden the cooperation which defined the essential character of Pak-Uzbek relationship.

Prime Minister Bhutto supported the idea of United Nations seminar in Uzbekistan to debate security in Afghanistan, Tajikistan and the whole region. She added for the peace and stability no arms should be supplied to Afghanistan. There were various factors which had brought the two sides together on this point.

President Karimov said that Afghanistan had plenty of arms, adding supply of more arms would further aggravate the situation and there would be no end to the infighting.

Prime Minister Bhutto said that the Afghan factions and people should themselves solve their problems. However, she added, they had discussed UN Security Council should put embargo on arms supply to Afghanistan.

A group called 'Friends of Pakistan' was always there. All the countries in the region should develop a consensus in this respect for the sake of peace and stability.

She said this idea was not new. It was initiated in 1993. She had reiterated support for it in the larger interest of the region.

Prime Minister Bhutto said Uzbekistan was key state in the CAS [Central Asian States], and Pakistan looking forward for cooperation particularly in the economic field. During the talks, she pointed out, they had identified obstacles like difficulty in communication link through Afghanistan. Both the countries were anxious to see the situation became normal in Afghanistan.

President Karimov said that Pakistan was the third largest partner of Uzbekistan in the field of commerce. If could be the largest one in future. A large number of Pakistani firms had opened offices here, whereas other

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such be opened. Prime Minister Bhutto had told him that a bank would be opened in Tashkent as quickly as possible.

Elaborating the agreement in the field of communication, he said it covered, roads, railways and contract for building internal infrastructure. Cooperation in the field of science and technology was also very important.

Prime Minister Bhutto said that geographical proximity had brought both the countries together. They liked to have close political and economic cooperation commensurate to geographical closeness. She added that she was convinced that Uzbekistan had a very bright future under the leadership of President Karimov. He was the man of destiny and he would lead the people of Uzbekistan in 21st century by successfully meeting challenges of the time.

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Armenia

Minister on Possible Boycott of OSCE Talks

NC2205200695 Yerevan Radio Yerevan International Service in Armenian 1800 GMT 22 May 95

[FBIS Translated Text] A news conference was held at the Foreign Ministry. Our correspondent Gevorg Asaturyan reports.

[Begin recording] [Asaturyan] Yet another round of talks were held in Moscow last week for the resolution of the Karabakh conflict with the participation of the co-chairmen of the OSCE Minsk Group.

Armenian First Deputy Foreign Minister Vardan Oskanyan held a news conference today at the Foreign Ministry. He took part in these talks as a member of the Armenian delegation.

Mr. Oskanyan told the reporters that during the talks held between 18-20 May, the sides discussed five principal elements. Vardan Oskanyan said:

[Oskanyan] The following were the pivotal issues: The problem of the security of Nagorno-Karabakh, which was (?raised) by Nagorno-Karabakh and Armenia; second, the problem of Lachin, which was raised by Azerbaijan; third, the problem of Shusha, which was also raised by Azerbaijan; fourth, the issue of the political status of Nagorno-Karabakh, which was raised by Nagorno-Karabakh and Azerbaijan. And finally, the problem of the refugees from northern Karabakh [Shahumian district], which was raised by Nagorno-Karabakh. [words indistinct] the sides expressed their positions which were taken down by the co-chairmen. It has to be decided in the next few weeks how to (?deal) with these problems; whether to include them in the Major Political Agreement, or keep them separate and prepare a new document on these problems.

[Asaturyan] Armenian First Deputy Foreign Minister Vardan Oskanyan said during the news conference that the gas pipeline entering Armenia was again blown up yesterday where the Kur and Khram Rivers meet. Mr. Oskanyan said that the Foreign Ministry will issue a statement today which will condemn the act in a more forcible manner in view of the fact that while taking part in OSCE group work, Azerbaijan is at the same time continuing to implement its own policy. Armenia's not taking part in OSCE group talks in Helsinki in June cannot be ruled out. [end recording]

Last Round of Nagorno-Karabakh Talks Viewed

NC2205201495 Yerevan SNARK in English 1657 GMT 22 May 95

[FBIS Transcribed Text] Yerevan, May 22 (SNARK) — The last round of talks on settlement of Nagorno-Karabakh conflict that took place in Moscow between May 15 and 20 has led the negotiation process out of deadlock, to which it had been brought during the meeting of conflicting parties in Russian capital in February, by unwillingness of Azerbaijan to acknowledge Nagorno-Karabakh as a conflicting party. This statement was made at a press conference in Yerevan today by the Deputy Foreign Minister of Armenia, Vardan Oskanyan, the head of Armenian delegation at Moscow meeting.

According to Mr. Oskanyan, negotiations were focused on the following 5 key problems, except the political agreement:

- Security of Nagorno-Karabakh;
- Lachin issue;
- Shusha issue;
- Political status of Nagorno-Karabakh;
- Refugees return from Northern Artsakh (Shahumian Region of NKR) [Nagorno-Karabakh Republic].

Speaking on Armenian position on these problems Mr. Oskanyan pointed out that Armenia outlined 4 security elements for Nagorno-Karabakh: deployment of peacekeeping forces, absolute demilitarization of released territories, existence of a permanently acting corridor between Nagorno-Karabakh and Armenia, controlled by Nagorno-Karabakh forces, as well as submission of political guaranties - by the UN, OSCE and a number of other important states - that combat activity will not be resumed.

Armenian position is that Lachin and Shusha issues should be considered separately, because Lachin is related with Nagorno-Karabakh security, while Shusha is related only with return of refugees. According to the Deputy Minister, the same regime should be set up in Lachin as in Nagorno-Karabakh. Armenia, he said, is ready to start negotiations on Lachin, however the status of Lachin may be decided only after the political status of Nagorno-Karabakh will be determined.

Touching upon the political status of Nagorno-Karabakh, Mr. Oskanyan observed that Armenia still thinks that this issue may be best be resolved at a Minsk conference. However, since both Azerbaijan and Nagorno-Karabakh raise this issue, Armenia does not object its discussion. Any solution of this issue which will satisfy Nagorno-Karabakh and Azerbaijan is acceptable for Armenia as well, observed the Deputy Minister.

The issue of refugees from Northern Artsakh [Karabakh] was discussed bilaterally between Nagorno-Karabakh and Azerbaijan delegations, he said.

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The Deputy Minister also informed the journalists that during the next two weeks the co-chairmen of OSCE Minsk Conference, together with representatives of negotiating parties, will decide whether these five issues should be included in the text of political agreement, or a separate document is to be adopted.

Though more than half of political agreement issues have already been agreed between the parties, said Mr. Oskanyan, one may hardly expect that the agreement will be signed during the next round of talks in Helsinki in the middle of June.

Statement Issued on Minsk Group Participation

NC2205202995 Yerevan NOYAN TAPAN in English 1618 GMT 22 May 95

[FBIS Transcribed Text] 22/05/95 NOYAN TAPAN— On May 22, Deputy Foreign Minister of Armenia Vardan Oskanyan said to journalists that the Foreign Ministry of the Republic of Armenia was going to publish a statement saying that Armenia stops its participation in the work of OSCE Minsk Group engaged in settlement of the Karabakh conflict, hoping that either Minsk Group or the OSCE will find a way to make provisions for security of gas pipe line on Georgian territory. For the last two years the pipe line exploded 35 times and the last explosion took place a day before - on May 21. These explosions always happened in southern regions of Georgia bordering with Armenia and Azerbaijan and populated mainly by Azeries. Armenia has several times claimed that the explosions were organized by Azeri leadership which is vehemently denied by the Azeri side. The above-mentioned gas pipe line is the only way for natural gas to be shipped to Armenia which is in the grasp of energy crisis.

The statement was preceded by a claim that during the regular meeting of the Minsk Group which took place in Moscow from May 15 to 20, for the first time in months a progress was observed in settlement of the conflict.

"This will complicate the negotiations, but we are not going to tolerate the destructive policies of Azerbaijan which pretends to have a constructive approach at the negotiations." According to Oskanyan, if the OSCE does not provide safeguards for security of the gas pipe line, Armenia may not participate in the next session of the Minsk Group scheduled to be held in Helsinki.

Withdrawal From Karabakh Talks Over Pipeline Blast

LD2305052495 Moscow ITAR-TASS World Service in Russian 2328 GMT 22 May 95

[By ITAR-TASS correspondent Tigran Liloyan]

[FBIS Translated Text] Yerevan, 23 May — A gas pipeline running through Georgian territory and supplying fuel to Armenia was blown up on Sunday [21 May] in two places, damaging 140 meters of the main pipeline, Armenian Energy and Fuel Minister Miron Shishmanyan said on today. Repair work has already begun, and will take five or six days, he added.

The government of Armenia believes that the normal functioning of pipelines passing through Georgia is a problem of national security, notes a statement released here by the Armenian Foreign Ministry. Sixteen acts of sabotage have been carried out on the pipeline since May 1992. The Armenian Foreign Ministry describes the explosions on the pipeline as "acts of international terrorism," and says it has evidence they are carried out by "agents of the Azerbaijani Government."

It announces that Armenia has suspended its participation in the talks process within the framework of the Minsk Group of the Organization for Security and Cooperation in Europe [OSCE] on Nagorno-Karabakh. Armenia expects relevant guarantees from the OSCE and the international community that Azerbaijan will stop the acts of international terrorism, the Armenian Foreign Ministry statement underlines.

Talks Refused Without Energy Supply Guarantee

NC2305061495 Paris AFP in English 0604 GMT 23 May 95

[FBIS Transcribed Text] Yerevan, May 23 (AFP)— Armenia announced Tuesday that it would not take part in the next round of talks with Azerbaijan on the disputed territory of Nagorno-Karabakh, until it received security guarantees for its energy supplies.

Armenia was reacting to Sunday's new attack on a pipeline supplying it with gas. The Armenian foreign ministry blamed the attack on "agents of the Azerbaijani government".

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The talks, sponsored by the Conference for Security and Cooperation in Europe (CSCE), are focusing on a settlement in the conflict in the disputed mountainous territory, which lies inside Azerbaijan but is controlled by Armenian separatists.

Official on Suspension of Minsk Process

NC2205175595 Yerevan SNARK in English 1557 GMT 22 May 95

[FBIS Transcribed Text] Yerevan, MAY 22 (SNARK)—Armenia suspends its participance in the Minsk process on peaceful settlement of Nagorno-Karabakh conflict, the Deputy Foreign Minister of Armenia, Vardan Oskanyan, said to journalists today.

The decision was made after another blast of the pipeline supplying gas to Armenia took place late on May 21, across the rivers Khrami and Kura on Georgian territory. Armenia demands guarantees from the OSCE Minsk group that Azerbaijan put an end to such actions, said Mr. Oskanyan.

"Should these guarantees not be given, said the Deputy Foreign Minister answering the SNARK question, Armenia in all likelihood will not attend the next round of talks on Nagorno-Karabakh planned to be held in Helsinki in June. This fact will certainly complicate the negotiations, he admitted, however the whole responsibility should be borne by Azerbaijan". We cannot tolerate anymore that Azerbaijan - while engaged in the Minsk process and demonstrating the world its constructive approach to settlement of Karabakh conflict - would in parallel blast gas lines, railways and bridges, pointed out Mr. Oskanyan. Our major argument is that Azerbaijan must be more consistent both in his words and actions, he said.

Georgia

Shalikashvili Promises Military Assistance

LD2205222295 Moscow ITAR-TASS World Service in Russian 1945 GMT 22 May 95

[By ITAR-TASS correspondent Tengiz Pachkoriya]

[FBIS Translated Text] Tbilisi, 22 May — The United States is prepared to assist Georgia in building and strengthening its armed forces; however, this process should be accompanied "not by rivalry but rather by cooperation with Russia." This is what General John Shalikashvili, chairman of the U.S. Army Joint Chiefs of Staff who is visiting Tbilisi, told journalists today after meeting Eduard Shevardnadze and Georgian Defense Minister Vardiko Nadibaidze.

John Shalikashvili stressed that his proposal was not aimed at weakening Russia's influence in the Transcaucasian region. "I understand that you are receiving considerable assistance from Russia, but we can help, too," Shalikashvili said. "This will be accompanied by cooperation rather than rivalry with Russia and within the framework of the Partnership For Peace program." "One can establish and build peace only together with Russia," the U.S. general added. He noted that the main goal of his visit was "to find out about progress in building the Georgian Army."

In his turn, Eduard Shevardnadze stressed the importance of cooperation in the defense sphere between Georgia and Russia and noted Russian assistance in creating the republican armed forces. At the same time he noted that he would sign a military accord with Russia only if the Russian peacekeeping troops in Abkhazia would play a more active part in returning Georgian refugees there. According to him, it is a settlement to the situation in Abkhazia that is the most difficult problem for Georgia now.

On 23 May John Shalikashvili will continue his stay in Georgia and on 24 May he will go to Ukraine, where he will attend joint U.S.-Ukrainian exercises.

British Energy Minister Discusses Oil Issues

LD2205200595 Moscow INTERFAX in English 1816 GMT 22 May 95

[FBIS Transcribed Text] TBILISI, May 22 (PIA-Interfax) — British Industry and Energy Secretary [title as received] Timothy Eggar has ended a brief visit to Tbilisi by discussing the question of pumping crude from Azeri offshore oil fields to Turkey via Georgian territory.

He met Georgian leader Eduard Shevardnadze, Prime Minister Otar Patsatsia, Foreign Minister Aleksandr Chikvaidze and other officials.

Eggar said he was convinced by Georgian officials that Georgia was the best route for transporting Azeri oil though a final say rests with the Caspian Pipeline Consortium and regional states.

The Secretary is also expected to meet the leaders of Turkmenistan, Kazakhstan and Azerbaijan as well as Russia's Fuel and Energy Minister Yuri Shafrannik.

In his view, a final decision on a would be route is to be taken by Azerbaijan, Georgia and Russia, but this must be based on the commercial not political aspect of the problem.

Eggar said although the British government did not own British companies involved in the CPC, it was keen to see the projected to be implemented. The government

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will support any project for oil transport if it is found attract by the British companies, according to Eggar.

Experts say two pipeline projects are feasible more than others: one is from Baku to Novorossiisk via Grozny and the other from Baku to Turkey via Batumi.

Protest to Russia Over Friendship Treaty

LD2205165995 Tbilisi CONTACT INFORMATION AGENCY in Russian 1500 GMT 22 May 95

[FBIS Translated Text] Tbilisi — The Georgian Foreign Ministry has sent an official note to the Russian Foreign Ministry, expressing a protest against an agreement of friendship signed recently in Sukhumi between Abkhazia and Kabardino-Balkarya. The note says that neither Abkhazia nor Kabardino-Balkarya are subjects of international law. This move has been assessed as yet another attempt of the "spreading separatism," which is trying to assert itself.

The hope is expressed in the note that the Russian competent bodies will take every measure to eradicate the actions directed at provoking confrontation between the two friendly neighbours, Georgia and Russia.

Abkhazia Preparing For Return of Refugees

LD2205173195 Moscow Russian Television Network in Russian 1600 GMT 22 May 95

[From the "Vesti" newscast]

[FBIS Translated Text] President of Abkhazia Vladislav Ardzinba told journalists today that, as of the 25 May, Georgian refugees could start submitting applications to return to the republic's Gali District. Abkhazia plans to receive 200 refugees weekly. This is a realistic figure that will make it possible to keep irregulars and war criminals away from Abkhazia, the president believes. The registration of the Georgian refugees who have already unofficially returned to Gali District — and they already number about 40,000 — will start on the 25 May, too. Ardzinba called on all the parties involved to assist this process. In addition, he stressed:

[Begin Ardzinba recording] We guarantee security, naturally, to all the persons who will receive clearance or permission from the Abkhazian side. [end recording]

Reports of Major Political Statement Denied

LD2205190295 Moscow ITAR-TASS in English 1829 GMT 22 May 95

[FBIS Transcribed Text] MOSCOW, May 22 (Itar-Tass) — Georgian leader Eduard Shevardnadze, speaking to Itar-Tass by telephone today, dismissed media reports that he allegedly was going to pronounce a political statement of major importance on Tuesday [23 May].

Shevardnadze's statement was reportedly expected to formulate the stance of the Georgian leadership on the situation in Abkhazia.

Police Destroy Rescue Corps' Training Base

LD2205154995 Tbilisi IPRINDA in Russian 1330 GMT 22 May 95

[FBIS Translated Text] Tbilisi (IPRINDA) — A special parliamentary commission which monitors the process of the arms handover by the Rescue Corps, held a news conference today. The commission's chairman, Deputy Omar Eloshvili, noted that the handover began on 12 May and lasted until 20 May. He said that members of the Rescue Corps handed over their weapons without any problems, and added that the process was completed in all regions except for Kakheti (east Georgia). The Kakheti branch was to complete the handover by 20 May. However, this process was cut short following the famous announcement at a parliamentary session on 19 May by a Rescue Corps member, Dodo Gugeshashvili, who said that the Rescue Corps was halting the handover because law enforcement agencies continued to arrest the Rescue Corps members despite the agreement on a voluntary handover of arms, the setting up of the Commission and beginning of the handover.

The Rescue Corps members told the news conference that on 20 May in Saguramo the police destroyed the Rescue Corps's training base, as a result of which four members of the Corps sustained serious injuries and were admitted to hospital.

Law enforcement agencies participated in the news conference.

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Estonia

Timetable of Paldiski Facilities Handover Given

WS2305084095 Tallinn BNS in English 1712 GMT 22 May 95

[FBIS Transcribed Text] Tallinn, May 22, BNS — Russian Admiral Alexander Olkhovikov submitted to the special representative of the Estonian Government in Paldiski, Juri Tikk, the timetable of the handover to Estonia of the facilities Russian military still hold at the former Soviet naval base.

Tikk told BNS Monday [22 May] most facilities will according to the schedule be handed over at the end of July and early in August.

The list includes a kindergarten, a hospital, warehouses, barracks, and other facilities, Tikk said. As to the handover of the building that still houses the nuclear reactors, Tikk said this is going to require a very thorough and detailed timetable.

Under an Estonian-Russian agreement, the Russian side is to complete the handover of the Paldiski facilities by Sept. 30.

Sinijarv Determined To Solve Border Problems

LD2205172895 Moscow INTERFAX in English 1624 GMT 22 May 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] TALLINN, May 22 (Interfax) — During a news conference in Tallinn on Monday [22 May] Estonian Foreign Minister Riivo Sinijarv expressed hope that in the course of his visit to Moscow, scheduled for June, a basic agreement on the border problem would be reached.

He confirmed Estonia's readiness to recall its territorial claims from Russia if Russia recognized the 1920 Tartu peace agreement.

Under the Tartu agreement, Estonia's territory extended 2,500 kilometers deeper to the east. After World War II this territory was joined to Russia.

Moscow believes that the Tartu agreement became invalid after Estonia became part of the former Soviet union in 1940.

Opposition Questions Unauthorized Border Talks

LD2305104895 Tallinn Estonian Television Network in Estonian 1800 GMT 22 May 95

[Passages in italics are recorded]

[FBIS Translated Excerpt] The Fatherland and Estonian National Independence Party [ERSP] faction of the Riigikogu have asked Foreign Minister Riivo Sinijarv who authorized and what was the aim of the meeting between Hardo Aasmae, a member of the Center Party and Sergey Shakhray, a Russian deputy prime minister, in Moscow at the beginning of May.

Kelam and Jurgenson, [deputy chairman and a member of the Fatherland and ERSP faction, respectively] have reliable information from diplomatic sources that Aasmae proposed to Shakhray that Estonia would be prepared to drop its claim on disputed Estonian-Russian border areas apart from 12 villages. In return, Estonia would rent out part of the Muuga port to Russia.

Hardo Aasmae told the Aktuaalne Kaamera program that he was on a private visit to Moscow where he met good old friends, among others Shakhray. Aasmae thinks the inquiry by Kelam and Jurgenson is caused by excessive imagination.

[Aasmae] We know that the Fatherland and ERSP have been quite helpless in eastern policy. And people tend to be afraid, most of all, of things they don't know, so when coming across something unknown, they will have all sorts of fantasies, including paranoid suspicions.

[Unidentified reporter] So you are saying that there was no talk about renting out the Muuga port?

[Aasmae] I think that almost no one in the whole of Estonia can have such a silly idea. [passage omitted]

[Reporter] According to Kelam the aim of their inquiry is to clarify who determines Estonia's foreign policy.

[Kelam] This is to determine whether they are private individuals, whether they are board members of the Center Party, or someone else. The current understanding is that foreign policy is carried out by the foreign minister and by the Foreign Ministry.

[Reporter] Estonian television asked Estonian Prime Minister Tiit Vahi and Foreign Minister Riivo Sinijarv to comment on the talks between Hardo Aasmae and Sergey Shakhray, a deputy prime minister of the Russian Federation, and other Russian officials.

[Vahi] I regard Hardo Aasmae as a private individual; he is not a member of the government. I do not have the exact information on who he met and spoke to. I can say only one thing: He did not speak on behalf of the

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government and he did not represent the government. [passage omitted]

[Reporter to Sinijarv] Could you say what authorization Hardo Aasmae needs in roder to speak about these issues with Russian officials?

[Sinijarv] He surely did not have any authorization from the state.

Fishing Conflict With Latvia Said Grave Problem

WS2205150595 Tallinn BNS in English 1340 GMT 22 May 95

[FBIS Transcribed Text] Tallinn, May 22, BNS — The Estonian-Latvian fishing conflict that flared up in February is a considerably bigger problem than some high-placed Foreign Ministry officials are willing to admit.

Hardo Aasmae, a Center Party board member who belonged to the government working group that looked into the activity of the Foreign Ministry, told BNS he was indignant at the underestimation of the Estonian-Latvian sea border dispute.

"The question concerns an annual catch of about 30,000 tons of Baltic herring, which is no small amount of fish," Aasmae said. "The same amount of turbot caused a fishing war between Spain and Canada."

The principal bone of contention between the two Baltic neighbors is the fish-rich sea area around the island of Ruhnu in the Gulf of Riga, which under Estonian legislation belongs to Estonia's territorial waters. Latvian fishermen disregard this and often violate the sea border in this area.

Latvia refuses to recognize Estonia's sea border in the Gulf of Riga, saying it was set unilaterally. As a compromise, it suggests the Gulf of Riga be declared joint Estonian-Latvian waters where both states' fishermen would have equal rights and opportunities.

In Aasmae's opinion, Estonian foreign policy has been too inefficient and has failed to make it clear why the idea of a joint sea is unacceptable to Estonia.

"It's only a small step from a joint Estonian-Latvian sea in the Gulf of Riga to an Estonian-Russian joint lake on the eastern border," Aasmae told BNS. "Latvians should fully realize the gravity of the problem and I find their behavior all the more peculiar."

The breeding grounds of the Baltic herring have over years shifted from Latvian waters to the vicinity of the Ruhnu Island, as the Dvina River strongly pollutes the Latvian part of the Gulf of Riga.

"It's Latvians' problem, not ours, that fish have left the Gulf of Riga because of the pollution from the Dvina River," Aasmae said.

In his opinion, international conventions should be taken as the basis for solving the fishing conflict.

Government heads and foreign ministers of both countries have assured they intend to settle the differences of opinion through negotiations, but talks have so far failed to produce a solution to the sea border dispute.

Finnish, Baltic Police Cooperate in Crime Fight

954K0592A Helsinki HUFVUDSTADSBLADET in Swedish 21 Apr 95 p 4

[Unattributed article: "Cooperation Agreement With Estonian Police"]

[FBIS Translated Text] Police officials in the Baltic nations have at least one thing in common: They are all uneasy about an increase in the number of violent crimes.

Last year there was an increase in the number of violent crimes in Estonia, Latvia, and Lithuania at a time when the total number of crimes was no longer rising. Alone, homicide rose last year to almost 1,400 instances in the three nations. It has also become more frequent for criminals to organize into groups.

At a police seminar on the Baltic States held in Esbo last Thursday, Latvian Chief of Police Aldis Lieljuksis noted that the earmark of organized crime is that it goes across borders. The seminar in Esbo was organized by the international cooperative organization of police, the IPA.

In particular, the criminal organizations who deal in weapons, narcotics, radioactive substances, and stolen Western autos operate across borders, the police chief said. Baltic authorities are also looking into crime in the export of raw goods such as oil and timber, as well as traffic in people smuggling.

The police forces of these countries are striving for greater cooperation. They are creating contacts with the Nordic countries by means of bilateral agreements. A cooperative agreement between the police of Finland and Estonia has already been written up. The intention is to have the signing of the agreement occur during Estonian President Lennart Meri's visit to Finland in May.

Olli Urponen, deputy director general of police, said at the seminar on Thursday that the agreement clearly

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established cooperation between the two police authorities. For example, the agreement makes it easier to retrieve a car that has been stolen in Finland and is recovered in Estonia. Urponen regards the development of police cooperation as a necessary condition if the elimination of visas between the two countries is to become a reality.

Police authorities desire above all else to see that organized crime does not spread across borders, Urponen said. Finland is planning to make similar agreements with Latvia and Lithuania. It already has an agreement with Russia.

The work of the police in the Baltic States has become more difficult and dangerous because of the ruthless tactics employed by the criminals of Russian origin. "The groups use weapons and explosives. Last year 14 police died in the line of duty as compared with just two a year earlier," said Lieljuksis on Thursday about the situation in Latvia. Prit Kelder, Estonian chief of Interpol, also described the Russian groups' influence as "strong." According to Kelder, the effectiveness of the Estonian police has been hampered by the fact that personnel have been replaced and because the police have been caught in the cross fire of "political forces." "Estonia's chief of police was replaced four times last year," said Kelder, citing an example.

In Estonia, there are police working who are not trained policemen. Of the 5,000 police in Estonia, 700 have only a three-month course behind them, Kelder stated.

Serious crime in which Finns were involved has not occurred, as far as Kelder knows. On the other hand, drunken Finns have disturbed life in Tallinn with increasing frequency in recent months.

Kelder sought on Thursday to dispel suspicions that a new narcotics connection had opened up from Estonia to Finland. Central homicide police recently uncovered a smuggling case in which 20 kilos of hashish were brought into Finland from Estonia. "It was an isolated case," Kelder believed. He said that the police in Estonia had not detected any signs that would indicate organized smuggling across the Gulf of Finland.

Nordics Fight Estonian Auto Theft Ring

954K0593B Helsinki HELSINGIN SANOMAT in Finnish 3 May 95 p 17

[Article by Harri Nykanen: "Estonian Volvo Ring Apprehended for Auto Theft; Over 20 Nearly New Cars Brought in From Finland, Sweden, and Denmark"]

[FBIS Translated Text] Four Estonians have been arrested for a series of auto thefts extending into Finland, Sweden, and Denmark. The quartet brought at least 16 Volvos in from Finland. The cars were driven to Estonia using false documents.

A joint team composed of the Helsinki Criminal Police's plain clothes officers and uniformed police, which cooperated closely with the Danish and Swedish police, investigated the case.

The investigation began as early as December when a fairly young Estonian man was arrested in Stockholm after having traveled from Helsinki with a stolen car. The car stolen in Helsinki was spotted the same day at the customs checkpoint in Turku and Stockholm was informed of it. The man was returned to Finland and it came out that he had been caught stealing a month earlier in Finland, with a car stolen in Stockholm.

The man had used fake insurance company credentials and apparently stolen Estonian registrations and license plates.

In December three Estonian men were apprehended in Copenhagen with two Volvos stolen in Finland. Furthermore, one of the men had been apprehended in Sweden with a car stolen in Germany. The Helsinki police concluded that a professional ring specializing in Volvos had been active. So the police formed their own investigating team.

It came out that the four men had stolen at least 16 cars in Finland alone. In addition, the men had stolen five cars in Sweden and Denmark. All of them were fairly new 400-series Volvos, each of which was worth about 100,000 markkaa.

The stolen cars were usually driven to Estonia via Stockholm. Sometimes they were also driven there via Finland and Denmark. The Estonian police were able to trace some of the cars and they have promised to return one car as soon as this week.

Four men involved in the case have been arrested, but the police know that other men are also members of the ring. The trial has just begun in Helsinki District Court.

Interior Minister Savisaar Combats Mafia

954K0593A Helsinki HELSINGIN SANOMAT in Finnish 29 Apr 95 p B15

[Article by Jorma Rotko: "Estonia Breaks Up Perm Mafia Ring"]

[FBIS Translated Text] Tallinn—Estonia's new Minister of Interior Edgar Savisaar said on Friday that the Estonian police have succeeded in breaking up one of the most powerful mafia rings that has been terrorizing the country, the so-called Perm mafia.

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The five top leaders of the mafia, among them the dreaded Nikolay Bleshkov and Boris Malinovskiy, were arrested. It is expected that their prosecution will be delayed because the investigation of the extensive number of crimes they have committed is constantly bringing out new facts.

Savisaar rejected the notion that this is a show purge and said that new laws passed last year in Estonia enabled them to arrest the criminals. The new laws permit wiretapping and secret viewing as well as setting "traps." If a criminal cooperates with the police, the charges against him may be dropped.

Tallinn criminals have their own territory. The basic activities of the members of the Perm mafia include extorting money for protection from people, bootlegging, and especially the violent collection of debts. The gang has acquired the pet name "Perm collection agency." If necessary, Perm members were prepared to blow up a debtor's car first and then his home if a payment began to be overdue.

Juri Pihl, chief of the Estonian Security Police, said, in connection with Malinovskiy's arrest, that many weapons and explosives, four police radios, an Estonian passport obtained under false pretenses, and written orders were found in his home. From these it became evident that many Estonian banks also made use of the Perm's collection services.

The Security Police joined in the investigation when the Perm switched to outright terror. They placed a large explosive charge in a heating pipe through which 100,000 residents of the city district of Lasnamaki are supplied with heat for the purpose of extorting money out of the entire city district in the cold of winter. However, a chance passer-by noticed the bomb, which was defused, and nothing came of the extortion attempt.

Pihl said that it came out in the course of the investigation that the Perm mafia has had its own bribed officials in many social sectors. The passport officials in Voru, for example, have written new Estonian passports as Perm members bring new "manpower" in from Russia. Registrations for stolen cars for "export to the East" have been written at the auto registration center and the guards at Paterei, the central prison, have provided mafia boss Bleshkov with an NMT [Nordic mobile telephone] in his cell so that he can continue to run his business from there.

Savisaar Conducted Raid

Interior Minister Savisaar said that he had conducted a surprise raid on Tallinn police stations in the middle of the night and that he was shocked:

"There is so much slackness, incompetence, and lack of discipline that a heavy hand is needed. I've notified Tallinn police chief Aadu Luberg that he has a month to put his house in order or else...."

To Luberg's misfortune, one Wednesday one of his subordinates shot and killed an innocent bystander in connection with a raid. A 23-year-old housewife was at the wheel of a parked car and her year-and-a-half-old daughter was sitting on the back seat when a plain-clothes policeman ran up to the car and rapped on the window. When the woman did not open the window, the policeman shot her in the head through the glass.

In addition to Luberg's position, chief director of police Hermann Simmi's post also seems to be in jeopardy. Matters will, to be sure, not necessarily be improved with the Estonian police by replacing its head men because police force jobs have become transient jobs for which people are even hired right off the street.

Latvia

Ukrainian President Arrives, Meets Ulmanis

LD2305100995 Riga Radio Riga Network in Latvian 0900 GMT 23 May 95

[FBIS Translated Text] Ukrainian President Leonid Kuchma and Mrs. Ludmyla Kuchma have arrived in Latvia on a two-day state visit. During the visit it is planned to sign a friendship and cooperation agreement between Latvia and Ukraine and a joint political declaration in connection with this agreement. It is also envisaged to sign an agreement on mutual assistance on customs issues which will promote cooperation in fighting smuggling and improving registration of the reciprocal flow of goods. It is also planned to sign an agreement on mutual legal assistance in criminal, civil and family cases, agreement on air traffic, and an agreement on vehicular traffic.

At the moment, the Ukrainian president is meeting State President Guntis Ulmanis. After that, the signing of the political declaration and the agreements is scheduled. Leonid Kuchma will also meet today with Latvian parliament Speaker Anatolijs Gorbunovs, Foreign Minister Valdis Birkavs, and with Latvian businessmen.

According to the Foreign Ministry Press Center, issues related to the European Union and NATO and cooperation between the two countries within common European organizations could become one of the main topics during the talks with Valdis Birkavs.

For her part, today, the Ukrainian president's wife, Ludmyla Kuchma, will visit the Latvian History Museum, (?Turaida) Castle, and the Dainu Kalns [sight near

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Riga]. Talks with the Latvian president's wife, Aina Ulmane, are also scheduled.

Council Approves Security, Defense Concepts

LD2305090395 Riga Radio Riga Network in Latvian 1700 GMT 22 May 95

[FBIS Translated Text] The National Security Council on 22 May supported and approved several important documents. They are an analysis of national threats, analysis of military threats, and concepts of national security and defense. These documents will be submitted for consideration by the Cabinet of Ministers.

On the basis of the concept of national security, which lays down the basic principles of the work of state institutions and ministries, all departments have to draft specific proposals for future activity. The leadership of the national Armed Forces has to draft a plan of its activity and development for several years on the basis of the main principles of the defense concept.

Free Care Halted for Russian Military Pensioners

WS2305082495 Riga RIGAS BALSS in Latvian 2 May 95 p 8

[Report by Gunita Neilande: "Who Will Pay for Medical Treatment of Russian Military Pensioners?"]

[FBIS Translated Text] On 30 April of last year, an agreement "On the social security of Russian military pensioners and their family members residing in Latvia" was signed between the Governments of Latvia and Russia. The agreement included a commitment that Russia will pay from its federal budget for medical aid rendered to Russian military pensioners living in Latvia.

As RIGAS BALSS was told by Zigmunds Paskevics, representative of health insurance company "Rigas Slimokase" in Riga, at the present moment there are 21,500 Russian military pensioners residing in Latvia. At least 15,000 of them live in Riga. All the time these people and their families have been receiving free medical treatment, financed from the state budget resources — that is, at the expense of Latvian taxpayers. Already last year — immediately after the conclusion of the above-mentioned agreement — "Rigas Slimokase" initiated talks with the Social Security Division of the Consular Department in the Russian Embassy concerning future cooperation. The Russian side received a proposal to pay the Latvian side 60 Lats [Ls] per year for every military pensioner living in Latvia. At first, the Russian side expressed a desire to establish their own medical center in Latvia, where all Russian military pensioners residing in Latvia, as well as their family members, could receive medical treatment. As an agreement on this subject was not reached, the Russian side agreed to pay the sum of Ls60 for each person. A final agreement, however, has not thus far been reached, and the money has not been forwarded to the "Slimokase" bank account. Therefore, the Russian Government presently owes the Latvian Government Ls1.5 million.

Latvian State Health Minister Peteris Apinis sent a letter to Russian Ambassador to Latvia Aleksandr Rannikh on 31 March. In the letter, Mr. Rannikh was informed that beginning with April of the current year Latvian medical institutions will stop financing medical aid to noncitizens, and that Russian military pensioners will receive it only if they pay for it. The minister also stated that they can insure their health, by paying Ls50 per year.

A special commission from Moscow arrived in Riga recently to negotiate a compromise on this matter. Until now, however, no compromise has yet been reached.

Lithuania

Brazauskas on Talks with Latvia's Ulmanis

LD2205183895 Moscow ITAR-TASS in English 1818 GMT 22 May 95

[By Vladas Burbulis]

[FBIS Transcribed Text] VILNIUS, May 22 (Itar-Tass) — Latvia and Lithuania agreed, "in principle", to settle their marine border to divide a disputed economic zone in the Baltic Sea, Lithuanian President Algirdas Brazauskas said wrapping up some results of an "unofficial" meeting with his Latvian counterpart Guntis Ulmanis at the weekend. He spoke within the frames of his traditional weekly interview with national radio.

The meeting was also attended by Latvian and Lithuanian prime ministers, Maris Gailis and Adolfas Slezevicius.

Brazauskas said the sides had discussed some other issues of "vital importance for Lithuania", including that of granting Latvian citizenship to about 35,000 Lithuanians residing in this country. A bill to this effect is being urgently drafted to be passed by the Latvian Sejm soon, he said. Up to now, such Lithuanians have been treated as persons without any citizenship which largely hindered their getting job and dealing with property matters.

The Lithuanian President also said that the sides would speed up their talks on illegal migrants in order to set up a procedure for their return to relevant countries.

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Estonian Minister Discusses Military Cooperation

LD2105154395 Tallinn Radio Tallinn Network in Estonian 1200 GMT 21 May 95

[FBIS Translated Text] Estonian Defense Minister Andrus Oovel is on an one-day visit to Lithuania where he met his Lithuanian counterpart Linas Linkevicius. The meeting discussed opportunities for cooperation with NATO and the setting up of a joint airspace monitoring system of the Baltic states, a press representative of the Ministry of Defense told BNS [Baltic News Service].

The Estonian defense minister thought Estonia, Latvia, and Lithuania should modernize their ports and airports because this would help to intensify cooperation with NATO. Oovel and Linkevicius also discussed the shared interest of Estonia and Lithuania in molding European defense policies. The concept of common European defense policy or the so-called white paper, which is being prepared in the Western European Union [WEU], is expected to be adopted in 1996. Oovel told his Lithuanian counterpart that Estonia was interested in close ties with the WEU and NATO and intended to take part in the setting up of the defense forces under the command of the WEU.

On 22 May, the Estonian and Lithuanian defense ministers will leave for Bornholm Island in Denmark to attend the annual meeting of the defense ministers of the Nordic countries and Baltic states.

Russia's Trial by International Court Called For

WS2305083995 Tallinn BNS in English 1712 GMT 22 May 95

[FBIS Transcribed Text] Vilnius, May 22, BNS — Russia must be put on trial before an international tribunal for its crimes in Chechnya, Lithuanian MP Algirdas Endriukaitis said in a letter to Klaus Hensch, chairman of the European Parliament.

The Lithuanian lawmaker also noted that permission not to observe international laws and treaties would encourage Russia to demand vassalage from weaker nations.

"The principles of law and morals must be equally applied to all countries, irrespective of their size," the letter said. Endriukaitis heads the coordinative council of Baltic groups for parliamentary relations with Chechnya.

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